

GLOBAL DIVERSITY& INCLUSION REPORT

2022

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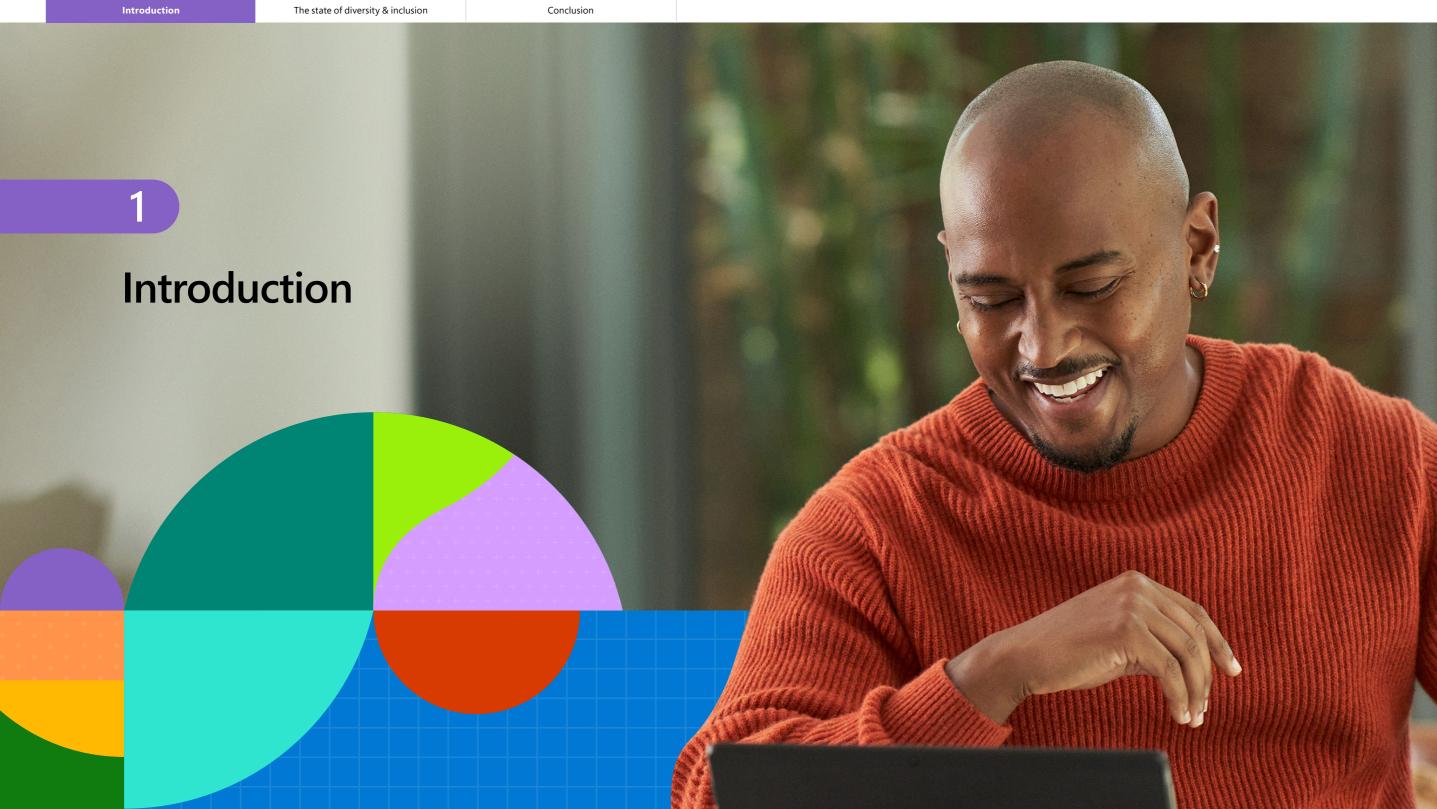
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Conclusion

Important terms used in this report

We gather a range of data that is presented in specific ways in this report.

Broader Microsoft and core Microsoft

Broader Microsoft business includes the core Microsoft business, plus minimally integrated companies. Employees of joint ventures and newly acquired companies are not included in the data.

LinkedIn was acquired in December 2016. **GitHub** was acquired in June 2018. We provide standalone data for these two acquisitions. **Nuance Communications** was acquired in March 2022. Minimally integrated gaming studios were acquired starting in June 2018, with the most recent acquisition, **ZeniMax Media**, occurring in March 2021.

Core Microsoft business represents **83.9**% of the worldwide broader Microsoft workforce.

Data gathering and expression

All data on gender is collected globally. Numbers for gender may not total 100% due to inclusion of people who identify as transgender, non-binary, or who choose not to disclose.

Racial and ethnic data reflects the US only. Numbers may not total 100% due to inclusion of people who choose not to disclose.

Percentages are calculated to the 1/100th but rounded and published in 1/10th. Differentials may differ slightly due to rounding. Totals may not equal 100% due to rounding or because denominators include people who choose not to disclose.

Historical numbers may differ slightly due to rounding and refinements in methodology or data capture year over year. Unless otherwise indicated, data presented is a snapshot taken on **June 30** of the year referenced.

Representation vs. population

At Microsoft, we look at employee diversity data through two different lenses:

Representation data indicates how particular groups are represented in terms of their percentage of the workforce as a whole.

Population data looks at headcount numbers, comparing year-over-year absolute growth within a particular group.

Both of these are important to consider in achieving our goals for greater diversity and inclusion. As Microsoft grows, year-over-year representation numbers may not tell the whole story of progress, because the base workforce number is also increasing. For a group to increase representation, the population of that group needs to grow at an equal or greater rate than the general employee population. Looking at population offers an indication of absolute growth within groups to paint a broader picture of true progress.

Race and ethnicity categories

Data referenced in this report reflects numbers reported to the US Equal Employment Opportunity Commission based on these categories:

Asian: A person having origins in any of the original peoples of East Asia (China, Hong Kong, Japan, Macau, Mongolia, North Korea, South Korea, and Taiwan), South Asia (Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka) and Southeast Asia (Burma, Brunei, Cambodia, East Timor, Indonesia, Laos, Malaysia, Philippines, Singapore, Thailand, and Vietnam).

Black and African American: A person having origins in any of the Black racial groups of Africa.

Hispanic and Latinx: A person of Cuban, Mexican, Puerto Rican, Central or South American, or other Spanish-speaking culture or origin, regardless of race.

Native American and Alaska Native: A person having origins in any of the original peoples of North and South America (including Central America) who maintain tribal affiliation or community attachment.

Native Hawaiian and Pacific Islander: A person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands.

White: A person having origins in any of the original peoples of Europe, the Middle East, or North Africa.

Multiracial: A person who identifies with more than one of the above six races or ethnicities.

Levels and roles

As used in this report only, the following descriptions apply to the core Microsoft business:

Executive: Executive roles across all functions.

Partner + Executive: Employees with various partner and executive roles across all functions.

Director: Employees with various director roles across all functions.

People Manager: Employees at any level with at least one employee role reporting to them.

Individual Contributor: Employees at any level without any employee roles reporting to them.

Technical: The talent architecture initiative was launched a few years ago to better position Microsoft to grow and retain our talent, through improved data insights of our roles benchmarked to market.

As a result, technical/non-technical definitions have been adjusted for the purposes of the 2022 Global Diversity & Inclusion Report. We also provide a one-time look back to previous definitions for accountability. We will apply these new definitions to our D&I reporting going forward.

We've refreshed our definition of technical roles to include employees in professions and disciplines that are directly involved in the technical creation and deployment of Microsoft products and services, including Software Engineering and several other disciplines involved in Technical Production Code, Hardware, Research, and Data Infrastructure; involved in Technical Customer Solutions; and involved in Technical Program Management, Content, and Experience.

Non-technical: All employees, including retail employees, with the exception of those in disciplines involved in the technical creation and deployment of Microsoft products and services, including Software Engineering and several other disciplines involved in Technical Production Code, Hardware, Research, and Data Infrastructure; involved in Technical Customer Solutions; and involved in Technical Program Management, Content, and Experience.

Retail: All employees within the Microsoft Stores organization.

Other reports

In addition to this annual Diversity & Inclusion Report, Microsoft continues to publish disclosures based on local regulation requirements. This additional information includes:

France: Gender Pay Gap Report

Israel: Gender Pay Gap Report

United Kingdom: Gender Pay Gap Report

The state of diversity & inclusion

Conclusion

Introduction

Guided by intention, fueled by innovation

At Microsoft, the work of diversity and inclusion is about having intention in all we do. It's about leveraging our global influence to drive positive change, within our company and across the communities where we live and work.

It's about investing in employees' experiences, access to opportunity, and futures. It relies on harnessing key insights that help us yield business outcomes, people outcomes, and culture outcomes. In many ways, inclusion is innovation: It's about envisioning, designing, and realizing an organization and an industry that are more inclusive tomorrow than today.

This is the ninth year in a row we've publicly released the demographic and other data that serve as a measurement of where we are in increasing representation and strengthening a culture of inclusion at Microsoft. The numbers show that globally, we are a more diverse Microsoft overall today than we've ever been.

We're energized by our ongoing progress, and this year's growth feels particularly meaningful in the context of significant challenges around the world.

We continue to be one of the most transparent companies of our size. This year, we're sharing new data on populations that include multiracial employees and those with US military experience, along with new pay data. We're sharing expanded regional data on representation of women worldwide. In addition, we're reporting the representation for all employees who exit Microsoft by women, men, and race and ethnicity.

True inclusion isn't easy, and no single organization can solve it alone. We convene, advocate, and collaborate with many partners—from other companies to non-governmental organizations to lawmakers—to effect real change for our employees and society at large.

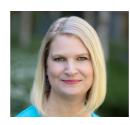
Internally, we've made concepts such as allyship, covering, and privilege the building blocks of our shared language and shared understanding. Doing this allows us to reinforce our growth mindset culture, live our values, and create the conditions for every employee to bring their authentic selves to work. From recruiting to new employee orientation, benefits and compensation, employee communities and events, career development, and more—we build sustainable systems that enable us to deliver on our promises of an inclusive experience for employees and customers.

At Microsoft, our accountability starts at the highest levels of our organization. We evaluate each Partner's and Executive's progress on diversity and inclusion as part of determining their impact, rewards, and promotions. It's also a performance and development core priority for every employee to accelerate inclusion through intentional everyday actions.

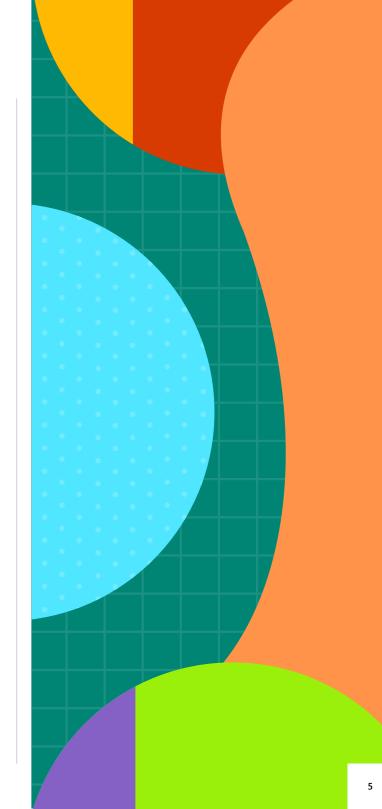
Listening to employee feedback is essential. For example, our company-wide survey, which we increased in frequency to twice a year, now focuses more heavily on the employee experience, going beyond measuring engagement to gauge whether employees are thriving. On our employee survey question about whether people feel included in their teams, the item scored an average of 86 globally.

As a company of more than 220,000 employees who do business in more than 190 countries across our broader Microsoft business, we face a formidable challenge in making diversity and inclusion meaningful and actionable for everyone. To meet this challenge, we design companywide, globally relevant ways for employees to engage with the work, while also ensuring conversations and actions are meaningful at a local level.

The work of diversity and inclusion is complex and ever-evolving. At Microsoft, we aren't daunted by the complexity. Instead, we leverage our platform and allocate our resources to take on these issues, innovating our way forward with the same vision and commitment we bring to all that we do.



Chief Diversity Officer, Microsoft



Notable takeaways

Data has been critical in helping us quantify and understand our progress since we began documenting our diversity and inclusion (D&I) progress in 2014.

The data has shown steady representation growth globally within our workforce year after year, and that trend continues in 2022.

This past year, the numbers show the highest year-over-year representation progress since 2018, across various categories, for several of the communities highlighted in this report.

While Microsoft's overall workforce growth has played a part in these positive trends, many of these communities are growing at a stronger rate than the company workforce overall—in terms of both representation (a particular group's percentage of the workforce as a whole) and headcount (the absolute number of employees within a particular group).

We've also added new or expanded ways for employees to self-identify, laying the groundwork for us to continue sharing expanded data in future reports as participation levels grow and newly collected data becomes available. This includes expanded answer options in the US for Asian and multiracial identities and those who identify as Middle Eastern or North African; and options in Australia and New Zealand for employees to self-identify by culture and ethnicity, Indigenous status, and caregiver status.

While we have more progress to make, the data shows that our steadfast commitment to the D&I work is yielding measurable results and positive change. As we push ourselves to do more, we're working to deepen our understanding of our workforce and where additional efforts are most needed.



Progress highlights

Women

- Women now make up more than 30.0% of the core Microsoft workforce worldwide, ending the year at 30.7%. Over the past five years (since 2018), representation of women has grown at least 1.0 percentage point every year.
- Representation growth has been even higher for women in technical roles, growing between 1.4 and
 1.6 percentage points every year over the past five years.

Racial and ethnic minorities

Core Microsoft representation and year-over-year change

RACIAL AND ETHNIC MINORITIES

53.2%

+1.9 percentage points year over year

HISPANIC AND LATINX

7.6%

+0.6 percentage points year over year

ASIAN

35.8%

+0.3 percentage points year over year

MULTIRACIAL

2.6%

+0.1 percentage points year over year

BLACK AND AFRICAN AMERICAN

6.6%

+0.9 percentage points year over year

Leadership

- For women in our core Microsoft business, representation grew at every leadership level, including the strongest year-over-year increase in representation over the past five years (up 1.9 percentage points to 23.0%) at the Partner + Executive level.
- Both Black and African American (3.7%) and Hispanic and Latinx (5.6%) groups at the Director level in our core Microsoft business saw the highest yearover-year representation growth over the past five years at 0.6 percentage points and 0.5 percentage points, respectively.
- For Asian employees, representation at the Partner +
 Executive level is up 2.2 percentage points to 28.4%,
 the highest year-over-year increase over the past five years.
- Multiracial representation at the Partner + Executive level rose 0.5 percentage points to 1.9%, the highest year-over-year increase over the past five years.

Disability

 The percentage of US core Microsoft employees who identify as having a disability is 7.8% (up 0.7 percentage points year over year).

Inclusion

As we invest in the D&I work globally, employee sentiment about our culture of inclusion and their experience has grown more positive. In 2016, we started measuring employees' perceptions of how we live up to our cultural attributes of Growth Mindset, Customer Obsessed, One Microsoft, and Diverse and Inclusive via Daily Pulse, a short survey sent to a random sample of 2,500 employees every business day. We've made strides on all dimensions—and we know we always have more to do.

Evolving a culture of inclusion can be particularly urgent—and necessary—when an organization experiences dramatic growth, as Microsoft has in recent years. Our sentiment data confirms that even as we've acquired companies and added a record number of employees to our workforce—increasing our core employee population by 64.4% since 2016—the inclusive employee experience has continued to improve.

In June 2022, **85.1%** of employees agreed or strongly agreed that, "At Microsoft, we are diverse and inclusive, meaning that we are open to others' ideas, we value and invite differing perspectives, and we believe diversity is critical to our success." In June 2021, it was **83.8%**, and in December 2016, it was **82.1%**.

Conclusion

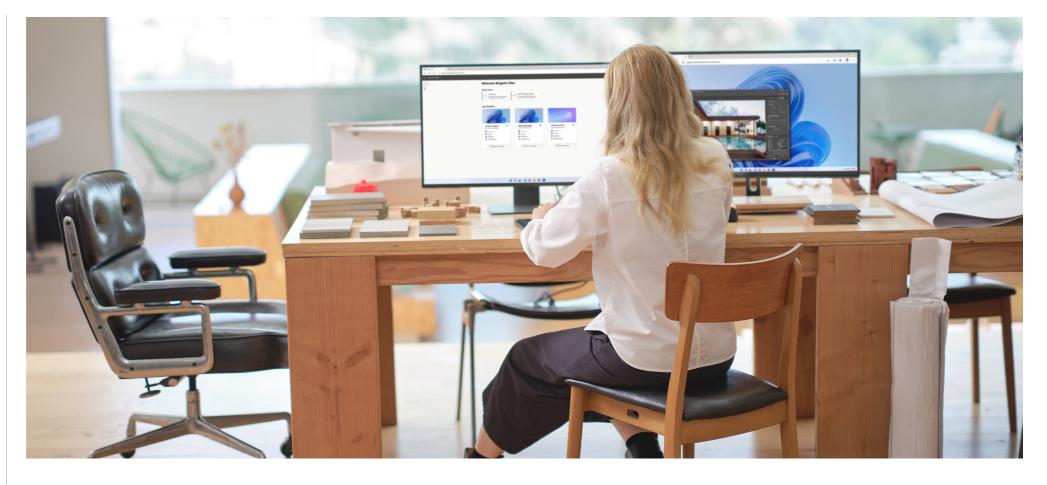
Introduction

Our mission-driven commitment

At Microsoft, we intentionally leverage our power, privilege, and global reach to drive systemic change.

Our commitment to diversity and inclusion is driven by our mission to empower every person and every organization on the planet to achieve more.

We seek to create an environment where people can be their authentic selves in alignment with our company values. We take a multifaceted, holistic approach to making this a reality, employing operational rigor and systemic accountability.





"Microsoft's commitment to diversity and inclusion is longstanding and central to our company's mission. Each year we strive to increase representation, and we are committed to being accountable and transparent about our progress, so that we can continue to empower our employees, our customers, and the world."





"At Microsoft, our business success depends on innovation, which is based on new ways of thinking, requiring a workforce of people with many different life experiences and perspectives. Just as innovation is an ongoing process, so is D&I. Our employees continue to embrace their role in D&I, finding new ways to make Microsoft more diverse and inclusive internally, as well as enhancing our products and leveraging our platform to make the world more accessible for all. Our mission can only be achieved when we represent and include everyone we seek to empower."

Kathleen Hogan, Chief People Officer, Microsoft

Innovation spotlights

We have a long history at Microsoft of applying our growth mindset and tenacity to address some of the world's most complex challenges.

We put the same relentless focus, willingness to learn, and creative thinking to work in confronting the realities of inequity in our industry, and beyond.

Not because we have all of the answers, but because we are uniquely positioned to make a difference when we innovate for inclusion.



Innovation spotlight Accountability and transparency

Conclusion

We believe transparency fuels accountability, and accountability builds trust. Our work at Microsoft to attract, retain, and grow a workforce of people with many different backgrounds, skills, and experiences can only be successful if we're committed to doing the D&I work and consistently sharing where we're succeeding and where we must improve. As one of the most transparent multinational companies of our size, we regularly share our D&I progress with employees and the public, and we also continue to evolve and grow the data and insights we share.

Data transparency

In addition to our data disclosure on representation, we also share pay data to help provide additional transparency. For example, to ensure we're providing a global picture, we've expanded the global locations on which we share data each year since we began sharing data on pay equity in 2016. In this year's report, we again expanded our pay equity data beyond the US to report on 61 additional countries (up from 12 last year). This employee population, plus the US population, represents 99.8% of our global Microsoft workforce.

We actively seek to implement best practices to further strengthen our pay equity approach. This informed our decision to prohibit the practice of asking job applicants about their salary histories several years ago. As announced this year, we will proactively include salary ranges in all of our internal and external job postings across the US, beginning no later than January 2023.

With this report, we've now added details about our median unadjusted pay analysis. As one of the first global companies to do so, we believe that while pay equity is a critical factor, it is only one factor in how we think about D&I progress. We must also look to any differences in median pay when we don't adjust for things like job title, level, and tenure. This allows us to further highlight the opportunity to continue to make progress on representation at senior levels of the company.

With this decision also comes the responsibility to provide employees and external audiences with the necessary context for the data. These complex topics are key to understanding our way forward, and our commitment to transparency and accountability strengthens our conviction.



"At Microsoft, we believe that accountability and transparency are important. Sharing pay equity since 2016; considering D&I metrics

as a critical component of pay and promotion for senior leaders; and sharing increased total rewards information with employees and the marketplace all fuel our robust commitment to make progress."

Kristen Roby Dimlow, Corporate Vice President, Total Rewards & HR Business Insights, Microsoft

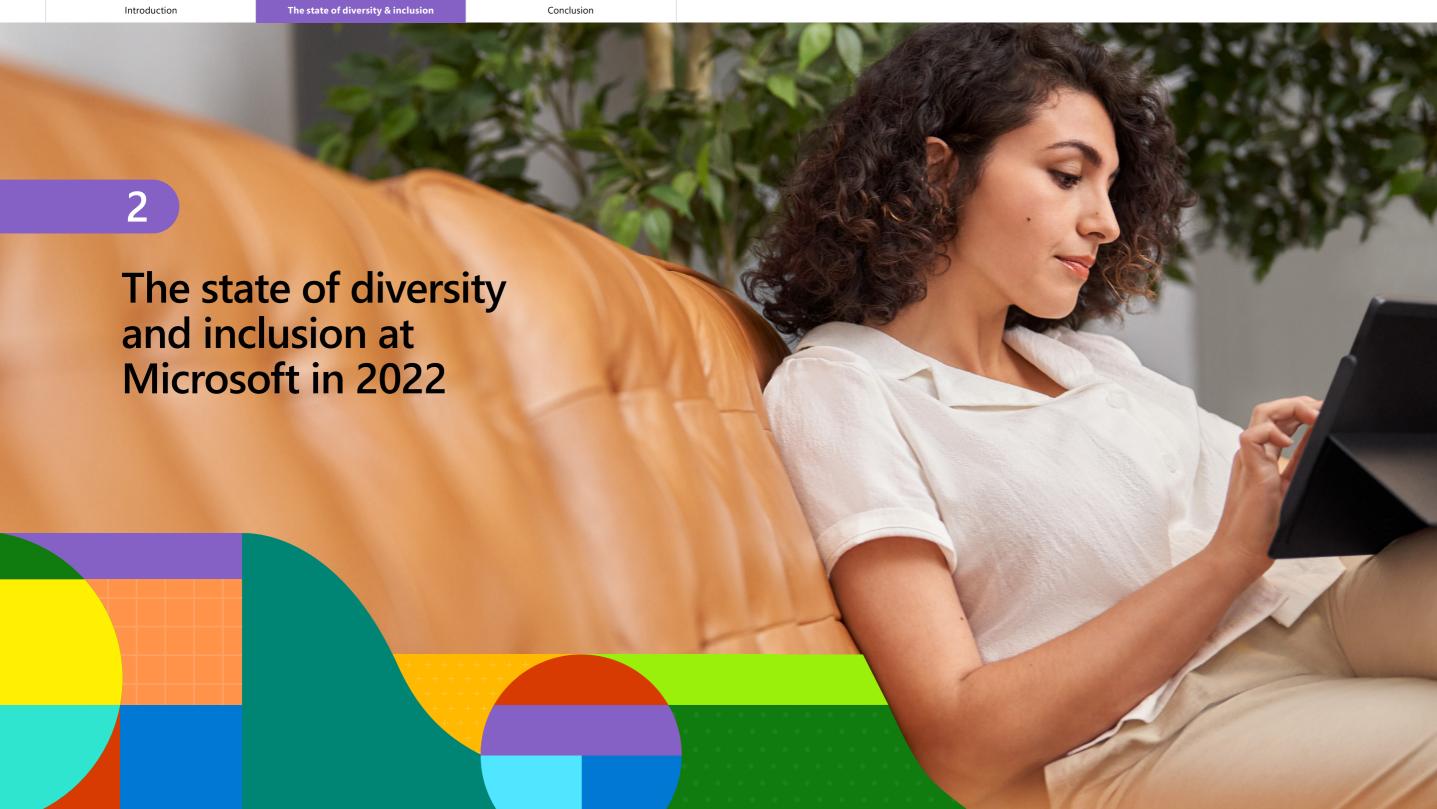
Accountability through meaningful action

To accelerate our ongoing progress on representation and inclusion, we must maintain our focus on work that will have an impact and commitments that will drive sustainable change. Knowing which efforts accrue to impact can be challenging in the D&I space. That's why we created a One Microsoft D&I Plan, which outlines the resources, actions, and accountability measures that lead to real outcomes across the organization.

Employees at all levels know that D&I is central to our success and that it's their responsibility to actively engage in our evolution by practicing inclusion, learning from failure, and accelerating our progress through their everyday actions. Four years ago, in alignment with our growth mindset culture, we embedded D&I as a performance expectation for all employees, to bring to the forefront our vision of a truly inclusive culture for all. Through our D&I Core Priority, part of our performance and development approach, we ask employees and managers to learn and practice the skills that create a more diverse and inclusive workplace. This often sparks difficult but crucial conversations that can challenge our fundamental view of ourselves and bring new awareness of others.

We also know leaders have a unique accountability and ability to influence change in their teams. For all Partners and Executives, we evaluate progress on diversity and inclusion as part of determining their impact, rewards, and promotions.

This continuous cycle of transparency, trust building, and individual and collective accountability allows us to accelerate our diversity and inclusion progress.



Representation

On pages 11 to 14, we look at D&I data across our broader Microsoft business in terms of both representation and population of women and men globally and of racial and ethnic groups in the US. We also explore results for our minimally integrated companies.



Our broader Microsoft business

Notable highlights

RACIAL AND ETHNIC MINORITIES

51.9%

+1.4 percentage points year over year

BLACK AND AFRICAN AMERICAN

6.9%

+1.3 percentage points year over year

HISPANIC AND LATINX

7.5%

+0.6 percentage points year over year



We saw the greatest year-over-year representation increase for both Black and African American, and Hispanic and Latinx employees in the past five years.

Representation levels 2018-2022*

	2018	2019	2020	2021	2022
GLOBAL DATA					
WOMEN	28.1%	29.2%	30.2%	30.9%	32.7%
MEN	71.8%	70.7%	69.6%	69.0%	67.2%

US DATA

ASIAN	32.3%	33.3%	34.9%	34.9%	34.2%
BLACK AND AFRICAN AMERICAN	4.0%	4.4%	4.7%	5.6%	6.9%
HISPANIC AND LATINX	5.9%	6.2%	6.4%	6.9%	7.5%
NATIVE AMERICAN AND ALASKA NATIVE	0.5%	0.5%	0.4%	0.4%	0.4%
NATIVE HAWAIIAN AND PACIFIC ISLANDER	0.2%	0.2%	0.2%	0.2%	0.2%
WHITE	54.1%	52.1%	49.2%	48.3%	47.2%
MULTIRACIAL	1.9%	2.1%	2.3%	2.5%	2.7%

^{*} Percentages are calculated to the 1/100th but rounded and published in 1/10th. Differentials may differ slightly due to rounding. Totals may not equal 100% due to rounding or because denominators include people who choose not

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Representation of women by geographic region

In our ongoing effort to increase transparency and accountability, we're sharing data on the representation of women in our broader Microsoft business more granularly—by region,* in addition to worldwide—for the first time.

32.7%

of Microsoft's broader global workforce is women.

+1.8 percentage points in year-over-year growth in 2022 vs. +0.7 percentage points in 2021.

39.9%

of women employees are based outside North America.

Our broader Microsoft business





Representation of women

NORTH AMERIC

33.1%

SOUTH AMERICA

32.5%

EUROPE, MIDDLE EAST, AND AFRICA

32.4%

ASIA PACIFIC

31.6%

^{*} This is a geographical representation and not a representation on how we operate as a business.

Population



Globally, population growth for women continues to outpace that of Microsoft's broader workforce. Since 2018, the population of women employees globally at Microsoft has grown

96.9%

In 2022, the number of women globally grew by

29.1%

the strongest growth in the past five years.

Our broader Microsoft business

Conclusion

Notable highlights

- Black and African American, Hispanic and Latinx, and multiracial employee populations have all more than doubled since 2018 across the broader Microsoft business.
- Since 2018, the size of our global broader Microsoft workforce has grown 69.2%. Year-over-year growth for 2022 is **22.0**%.

These communities have experienced higher growth year over year in 2022 than the 18.2% growth for Microsoft's broader business in the US:

BLACK AND AFRICAN AMERICAN

+46.3%

HISPANIC AND LATINX

+29.1%

NATIVE HAWAIIAN AND PACIFIC ISLANDER

+22.7%

MULTIRACIAL

+24.9%

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Population growth in our broader Microsoft business*

	2021-2022	2018-2022
GLOBAL DATA		
GLOBAL WORKFORCE GROWTH	+22.0%	+69.2%
WOMEN	+29.1%	+96.9%
MEN	+18.9%	+58.3%
US DATA		
US WORKFORCE GROWTH	+18.2%	+57.7%
ASIAN	+15.8%	+67.0%
BLACK AND AFRICAN AMERICAN	+46.3%	+169.9%
HISPANIC AND LATINX	+29.1%	+101.4%
NATIVE AMERICAN AND ALASKA NATIVE	+4.8%	+24.7%
NATIVE HAWAIIAN AND PACIFIC ISLANDER	+22.7%	+42.3%
WHITE	+15.3%	+37.5%
MULTIRACIAL	+24.9%	+123.7%

^{*} Data as of June 30, 2022. Microsoft + LinkedIn + GitHub + Nuance + Game Studios (Playground Games, Ninja Theory, Undead Labs, Compulsion Games, InXile, Obsidian, Double Fine, ZeniMax). Percentages are calculated to the 1/100th but rounded and published in 1/10th.

Minimally integrated companies

While Microsoft's minimally integrated companies have separate recordkeeping systems, our commitment to making progress on D&I applies to all the companies that are part of the Microsoft family.

Our strategies share some similarities, though they're also designed with flexibility to address the unique opportunities and challenges of the individual businesses.

Our broader Microsoft business

Conclusion



Our purpose is to enable software developers across the globe to make the world a better place. With 83 million+ developers and 1 billion+ annual contributions, we strive to make inclusion in the tech industry the norm. Our goal is to continue building a world where diverse contributions are accepted and all voices are heard.

Population growth highlights

GLOBAL EMPLOYEES

+36.7%

US BLACK AND AFRICAN AMERICAN

NON-US EMPLOYEES +36.7%

+60.3%

+42.2%

GLOBAL WOMEN

US EMPLOYEES

+36.6%

US HISPANIC AND LATINX

+25.5%

US ASIAN

+37.7%

US MULTIRACIAL

+67.3%

This population growth trend supported increased representation in key areas. Women now make up 30.5% of our global workforce, 23.6% of senior leadership roles, 33.4% of management roles, and 24.5% of our technical roles. Black and African American employees now make up 6.4% of GitHub's US workforce and 3.1% of senior leadership roles. Hispanic and Latinx employees make up 7.0% of our US workforce and 4.9% of senior leadership roles.

It has been another year of significant growth, and our commitment continues to be to represent the global community—and be the home of all software developers.

Read more in our 2022 GitHub Diversity, Inclusion, and Belonging Report.

Linkedin

We have a clear company vision: to create economic opportunity for every member of the global workforce. Our focus on diversity, inclusion, and belonging is a critical enabler of that vision and extends well beyond the representation data that we track and the groups for which we share data publicly. We know the future we seek will require diligence, collaboration, and persistence, and we're proud of our progress and company-wide commitment, while recognizing that our work is far from finished.

We're pleased to share that fiscal year 2022 was our strongest year yet in diversifying LinkedIn, especially at leadership levels. We are well ahead of schedule in meeting the commitment we made in 2020 to double the number of Black, African American, Hispanic, and Latinx leaders, managers, and senior individual contributors on our US team over a five-year period. We met our goal for the Black and African American senior population this year, increasing 127.0% in just two years since announcing our commitment. We're also on track to meet our commitment for Hispanic and Latinx senior employees ahead of schedule, having increased that population by 74.0% since fiscal year 2020. (By comparison, our overall US population at these senior levels has increased 34.0% over the same period).

Representation highlights

47.0%

+2.0 percentage points year over year

GLOBAL WOMEN IN TECHNICAL ROLES

27.8%

+2.7 percentage points year over year

US BLACK AND AFRICAN AMERICAN

7.2%

+2.6 percentage points year over year

US HISPANIC AND LATINX

7.4%

+1.0 percentage point year over year

Read more in our 2022 LinkedIn Diversity, Inclusion, and Belonging Report and explore an update on Our Continued Commitment to Equal Pay.

Representation

On pages 15 to 36, we look more closely at our core Microsoft business, which represents 83.9% of our broader Microsoft workforce, excluding minimally integrated companies. We report representation and population data on women and men globally and racial and ethnic groups in the US. We also look within levels and roles and explore data on employees who self-identify as multiracial or who have a disability or military status. We share updates on our Racial Equity Initiative commitments, pay data, employee sentiment, and new data on workforce exits.

Our core Microsoft business

Notable highlights

Overall growth

- Women and nearly all racial and ethnic minorities saw year-over-year representation growth in 2022, with the exception of Native American and Alaska Native communities, whose representation declined by 0.1 percentage points.
- Asian representation has grown by 3.9 percentage points to 35.8% since 2018.
- Native Hawaiian and Pacific Islander representation has been static at **0.2**% over the past five years.

 Representation has stayed constant as population growth for this group has risen at a similar rate as the overall employee population.

Leadership

- Women representation rose year over year at all leadership levels, with the highest growth at the Partner + Executive level, increasing 1.9 percentage points to 23.0%.
- Black and African American and multiracial representation rose year over year at all leadership levels.
- Asian representation grew at all leadership levels except for Executives. Representation at the Partner + Executive level rose 2.2 percentage points to 28.4%, the highest year-over-year growth in the past five years.
- Hispanic and Latinx representation increased at the Director and People Manager levels and decreased at the Executive and Partner + Executive levels.



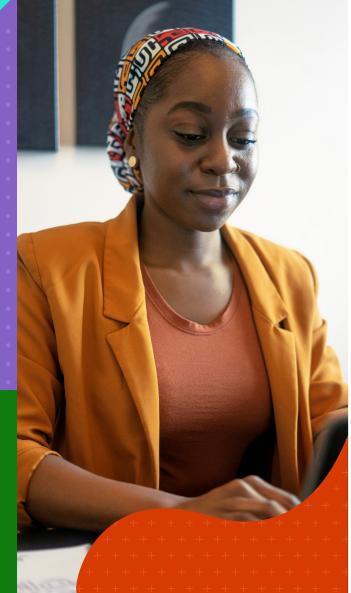


Hispanic and Latinx representation grew **0.6** percentage points to **7.6%**, the highest year-over-year increase in the past five years.

Black and African American representation grew **0.9** percentage points to **6.6%**, the highest year-over-year increase in the past five years.

Representation

For additional information on how we define technical roles, please see page 19.



Our core Microsoft business

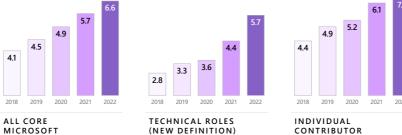
Conclusion

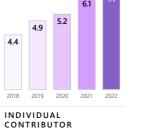
Representation trends across all core Microsoft roles and levels from 2018 to 2022*

Numbers equal percent of representation.



BLACK AND AFRICAN AMERICAN







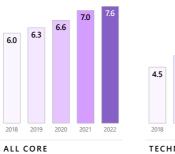




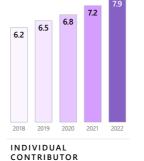


HISPANIC AND LATINX

MICROSOFT















* Percentages are calculated to the 1/100th but rounded and published in 1/10th. Data visualization on this page is not to mathematical scale.

The state of diversity & inclusion

Conclusion

Broader

der Core

55.1%

1.8%

WHITE MULTIRACIAL 72.7%

0.5%

69.4%

0.8%

65.6%

1.0%

63.9%

1.0%

53.4%

2.0%

Representation

Representation in our core Microsoft business 2018-2022*



^{*} Percentages are calculated to the 1/100th but rounded and published in 1/10th. Totals may not equal 100% due to rounding or because denominators include people who choose not to disclose. Data visualization on this page is not to mathematical scale.

ALL CORE MICROSOFT EXECUTIVE PARTNER + EXECUTIVE DIRECTOR PEOPLE MANAGER INDIVIDUAL TECHNICAL ROLES NON-TECH ROLES RETAIL 2022 CONTRIBUTOR (NEW DEFINITION) INCLUDES RETAIL (NEW DEFINITION) 25.9% 23.0% 23.2% 28.4% WOMEN 31.1% 25.8% 39.4% 69.3% 74.1% 77.0% 76.8% 71.6% 68.9% 74.2% 48.0% 60.6% MEN 35.8% 22.5% 28.4% 32.4% 32.2% 36.5% 40.1% 18.1% 9.6% ASIAN 5.7% 4.0% 7.1% 19.7% 3.7% 4.5% 5.7% 10.5% BLACK AND AFRICAN AMERICAN 6.6% 7.6% 3.5% 5.1% 5.6% 6.2% 7.9% 6.8% 11.0% 28.3% HISPANIC AND LATINX 0.3% 0.3% 0.4% 0.4% 0.4% 0.4% 0.3% 0.4% 0.3% NATIVE AMERICAN AND ALASKA NATIVE 0.2% 0.2% 0.1% 0.2% 0.2% 0.4% 0.6% NATIVE HAWAIIAN AND PACIFIC ISLANDER 0.0% 0.0% 46.7% 66.1% 60.3% 55.9% 54.5% 45.0% 44.3% 56.4% 38.7% WHITE MULTIRACIAL 1.9% 1.7% 1.9% 2.7% 3.2% 2.7% 2.6% 1.9% 2.4% 2021 29.7% 25.0% 21.1% 22.0% 27.1% 30.2% 24.4% 41.2% 38.1% WOMEN 75.0% 78.9% 78.0% 72.9% 69.8% 70.3% 75.6% 61.9% 23.3% 26.2% 31.3% 31.0% 36.3% 42.6% 16.9% 9.8% 17.9% 5.6% 3.8% 3.9% 6.1% 4.4% 9.1% BLACK AND AFRICAN AMERICAN 5.7% 3.2% HISPANIC AND LATINX 7.0% 3.7% 5.2% 5.2% 6.0% 7.2% 5.8% 10.3% 26.9% 0.5% 0.4% 0.3% 0.5% 0.4% 0.5% 0.5% 0.4% 0.5% NATIVE AMERICAN AND ALASKA NATIVE 0.2% 0.1% 0.1% 0.2% 0.2% 0.1% 0.4% 0.9% NATIVE HAWAIIAN AND PACIFIC ISLANDER 0.0% 48.6% 66.3% 62.9% 58.2% 56.6% 47.0% 44.2% 60.0% 42.0% WHITE MULTIRACIAL 2.5% 0.7% 1.4% 1.6% 1.8% 2.6% 2.3% 2.8% 2.0% 2020 28.6% 24.0% 20.0% 21.1% 26.3% 29.0% 22.8% 40.4% 38.5% WOMEN 78.9% 77.1% 59.5% 71.3% 75.7% 79.9% 73.7% 71.0% 61.5% MEN 21.5% 25.2% 29.8% 30.6% 35.5% 41.8% 16.5% 9.9% 34.7% ASIAN BLACK AND AFRICAN AMERICAN 4.9% 3.7% 2.9% 2.6% 2.9% 5.2% 3.6% 8.1% 19.6% 3.3% 4.4% 5.4% 6.8% 5.3% 9.9% 25.9% HISPANIC AND LATINX 6.6% 4.8% 0.3% 0.4% 0.4% 0.5% 0.5% 0.4% NATIVE AMERICAN AND ALASKA NATIVE 0.5% 0.0% 0.4% 0.2% 0.4% NATIVE HAWAIIAN AND PACIFIC ISLANDER 0.2% 0.0% 0.1% 0.1% 0.2% 0.1% 0.8% 70.2% 65.2% 60.3% 58.7% 48.6% 61.8% 41.2% 50.2% 45.8% 2.3% 0.4% 1.1% 1.4% 1.5% 2.4% 2.2% 2.6% 2.1% MULTIRACIAL 2019 19.3% 20.5% 25.4% 21.4% 38.2% 27.6% 24.6% 28.0% 39.4% 72.3% 75.4% 80.7% 79.5% 74.6% 71.9% 78.6% 60.5% 61.8% MEN 17.4% ASIAN 33.1% 23.9% 27.8% 28.6% 33.9% 40.1% 16.6% 10.2% 18.6% 4.5% 3.7% 2.7% 2.5% 2.7% 4.9% 3.3% 7.5% RI ACK AND AFRICAN AMERICAN HISPANIC AND LATINX 6.3% 2.7% 4.4% 4.7% 5.0% 6.5% 4.9% 9.6% 25.0% 0.4% 0.3% 0.3% 0.6% 0.6% 0.4% 0.5% NATIVE AMERICAN AND ALASKA NATIVE 0.5% 0.0% 0.1% 0.2% 0.2% 1.0% NATIVE HAWAIIAN AND PACIFIC ISLANDER 0.2% 0.0% 0.1% 0.1% 0.4% WHITE 53.2% 75.3% 67.3% 63.2% 61.8% 51.6% 49.0% 63.1% 43.0% MULTIRACIAL 2.1% 0.5% 0.9% 1.2% 1.2% 2.2% 2.0% 2.3% 1.8% 2018 19.9% 26.6% 21.1% 17.9% 24.2% 26.9% 19.9% 38.2% 36.1% WOMEN 80.1% 73.0% 73.4% 78.9% 82.1% 75.8% 80.0% 61.7% 63.9% 31.9% 19.7% 23.2% 26.1% 26.7% 32.8% 39.2% 15.9% 9.3% 3.0% 2.4% BLACK AND AFRICAN AMERICAN 4.1% 2.4% 2.5% 4.4% 2.8% 7.1% 18.6% 3.5% 3.6% 4.4% 4.8% 6.2% 4.5% 9.1% 24.1% HISPANIC AND LATINX 6.0% 0.3% 0.3% 0.3% 0.6% 0.6% 0.4% 0.4% NATIVE AMERICAN AND ALASKA NATIVE 0.5% 0.0% 0.1% 0.1% 0.2% 0.2% 0.2% 0.4% 1.1% NATIVE HAWAIIAN AND PACIFIC ISLANDER 0.2% 0.0%

44.9%

1.6%

64.2%

2.0%

50.9%

1.8%

Population



Microsoft's global core workforce increased

16.2%

in 2022, the highest yearover-year growth in the past five years, while US core workforce increased by 12.2%.

The numbers of women at Partner + Executive and Director levels across Microsoft's global core workforce have more than doubled since 2018.

Our core Microsoft business

Notable highlights

Overall growth

 The population of women globally grew by 20.2% year over year and continues to outpace that of Microsoft's global core workforce, with 2022 showing the strongest growth in the past five years.

Conclusion

- The population of Asian, Black and African American, Hispanic and Latinx, Native Hawaiian and Pacific Islander, and multiracial communities had higher growth than Microsoft's core workforce growth.
- The population of Black and African American and multiracial employees has more than doubled since 2018.
- The population of Native American and Alaska Native employees declined 3.5% year over year.

Leadership

- The numbers of Black and African American. Hispanic and Latinx, Native American and Alaska Native, and multiracial People Managers have each more than doubled since 2018.
- The numbers of all racial and ethnic minorities at the Director level have each more than doubled since 2018, except for Native Hawaiian and Pacific Islander.
- The numbers of Black and African American employees in leadership at all levels have more than doubled since 2018.

Population growth in our core Microsoft business*

GLOBAL WORKFORCE GROWTH		2021-2022	US WORK		US WORKFO GROWTH	RCE 2021-2022 +12.2%				
		2018-2022 +56.7%					2018-2022 +43.6%			
GLOBAL DATA		ALL CORE MICROSOFT	EXECUTIVE	PARTNER + EXECUTIVE	DIRECTOR	PEOPLE MANAGER	INDIVIDUAL CONTRIBUTOR	TECHNICAL ROLES (NEW DEFINITION)	NON-TECH ROLES INCLUDES RETAIL (NEW DEFINITION)	RETAIL
	2021-2022	+20.2%	+20.3%	+27.7%	+28.3%	+25.0%	+19.4%	+46.2%	-13.3%	-15.2%
WOMEN	2018-2022	+81.3%	+97.8%	+102.2%	+112.3%	+95.4%	+79.3%	+159.4%	+9.8%	-41.0%
	2021-2022	+14.6%	+14.4%	+14.3%	+19.8%	+17.1%	+14.1%	+35.6%	-43.9%	-19.9%
MEN	2018-2022	+47.9%	+51.2%	+46.9%	+74.7%	+56.7%	+46.4%	+85.4%	-37.3%	-48.8%
US DATA										
A CLAN	2021-2022	+13.2%	+12.7%	+24.9%	+22.9%	+21.6%	+11.8%	+17.7%	-15.8%	-22.6%
ASIAN	2018-2022	+61.3%	+82.1%	+86.2%	+114.4%	+91.2%	+56.7%	+72.3%	+1.6%	-49.4%
AFRICAN	2021-2022	+30.0%	+20.0%	+19.1%	+40.0%	+36.0%	+29.2%	+61.6%	-9.6%	-13.9%
	2018-2022	+130.5%	+200.0%	+153.1%	+169.9%	+191.5%	+124.1%	+245.1%	+32.2%	-47.9%
HISPANIC AND	2021-2022	+21.8%	+10.0%	+11.8%	+29.4%	+21.7%	+21.8%	+47.6%	-15.8%	-17.7%
LATINX	2018-2022	+83.5%	+57.1%	+112.2%	+119.6%	+106.1%	+80.3%	+153.3%	+7.9%	-42.4%
NATIVE	2021-2022	-3.5%	0.0%	0.0%	+8.4%	+14.9%	-7.0%	+6.3%	-34.0%	-50.0%
AMERICAN AND ALASKA NATIVE	2018-2022	+14.0%	_	+50.0%	+171.1%	+126.5%	+2.2%	+27.3%	-25.3%	-63.6%
NATIVE HAWAIIAN	2021-2022	+13.7%	0.0%	0.0%	+10.3%	-14.7%	+20.3%	+34.4%	-7.9%	-50.0%
AND PACIFIC	2018-2022	+25.5%	0.0%	0.0%	+77.8%	+38.1%	+23.6%	+71.2%	-10.9%	-72.4%
2021-2022	2021-2022	+7.7%	+16.8%	+10.5%	+13.9%	+12.7%	+6.5%	+25.3%	-26.1%	-27.8%
WHITE	2018-2022	+21.7%	+45.1%	+32.2%	+47.2%	+35.5%	+18.6%	+46.8%	-21.7%	-57.7%
	2021-2022	+17.7%	+200.0%	+52.0%	+31.5%	+26.0%	+16.5%	+31.0%	-10.9%	+5.7%
MULTIRACIAL	2018-2022	+103.2%	+500.0%	+245.5%	+198.6%	+200.9%	+93.9%	+132.6%	+45.6%	-15.9%

^{*} Percentages are calculated to the 1/100th but rounded and published in 1/10th. "--" indicates a mathematically undefined term that results when the starting point is zero

Talent architecture

We use talent architecture, a modern data framework that structures all work and roles at the company, to improve the employee experience by providing more information about roles, career development opportunities, and skills aligned to the market.



We launched our talent architecture initiative a few years ago to better position Microsoft to grow and develop our talent. As we get closer to finishing the implementation of our new framework, we are redefining the definition of technical roles to include employees in professions and disciplines that are directly involved in the technical creation and deployment of Microsoft products and services, including Software Engineering and several other disciplines involved in:

Our core Microsoft business

Notable highlights

Moving to our updated definitions of technical roles did not change our year-over-year progress on representation for the following groups globally in our core business.

Conclusion

- Representation of women in technical roles increased 1.4 percentage points using both the updated and prior definitions.
- Representation of Native American and Alaska Native employees decreased 0.1 percentage points using both the updated and prior definitions.
- Representation of Native Hawaiian and Pacific Islander employees was unchanged year over year using both the updated and prior definitions.
- Representation of multiracial employees in technical roles increased by 0.1 percentage points using both the updated and prior definitions.

- Technical Production Code. Hardware, Research, and Data Infrastructure
- **Technical Customer Solutions**
- Technical Program Management, Content, and Experience

The updated definitions, however, impacted year-overyear representation progress for other groups in the US in our core business.

- Representation of Asian employees in technical roles decreased 2.5 percentage points using the updated definitions but would have risen 0.6 percentage points using the prior definitions.
- Representation of Black and African American employees in technical roles increased 1.3 percentage points using the updated definitions but would have risen 0.8 percentage points using the prior definitions.
- Representation of Hispanic and Latinx employees in technical roles increased 1.0 percentage point using the updated definitions but would have risen 0.7 percentage points using the prior definitions.
- Representation of white employees in technical roles increased 0.1 percentage points using the updated definitions but would have decreased 2.1 percentage points using the prior definitions.

Representation change in technical roles 2021-2022*

	UPDATED DEFINITIONS	PRIOR DEFINITIONS
GLOBAL DATA		
WOMEN	+1.4%	+1.4%
MEN	-1.4%	-1.4%
US DATA		
ASIAN	-2.5%	+0.6%
BLACK AND AFRICAN AMERICAN	+1.3%	+0.8%
HISPANIC AND LATINX	+1.0%	+0.7%
NATIVE AMERICAN AND ALASKA NATIVE	-0.1%	-0.1%
NATIVE HAWAIIAN AND PACIFIC ISLANDER	0.0%	0.0%
WHITE	+0.1%	-2.1%
MULTIRACIAL	+0.1%	+0.1%

^{*} Refers to percentage point change. Percentages are calculated to the 1/100th but rounded and published in 1/10th

Broader

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Innovation spotlight Evolving understanding of identity globally

Taking the time to understand and explore identity at a company of our size might seem overwhelming. And yet we know the human experience inside and outside the workplace is defined by the need to be seen and valued. By creating globally relevant D&I initiatives, resources, and frameworks, we're able to anchor to our core concepts, such as allyship, covering, and privilege, while also making sure they are impactful at the local level, aligned to each country's laws and regulations.



"Using these globally defined concepts, it's powerful when you can say, 'Here's this definition. Let's apply it to what's happening locally.' And then you have leaders and employees engaging in that conversation, sharing their own stories."

Jocelyn Moore, General Manager, Global Diversity & Inclusion, Microsoft Customer and Partner Solutions (MCAPS) & Geographies

India

India's plurality and multiplicity provide a rich and complex context for our work on various aspects of D&I. Microsoft leaders in India were invited to explore core concepts such as allyship, covering, and privilege and share how these ideas relate to local interactions and social norms. Powerful conversations on aspects of identity such as region, language, disability, orientation, and background have created opportunities for people to discuss challenging but critical topics in ways that encourage empathy, invite personal reflection, and enable vulnerability. This has opened up new, locally relevant opportunities to broaden awareness, mitigate bias, and shift behaviors.



"Leadership in India is investing in learning to understand the complex and multi-dimensional nature of these D&I subjects locally. Tapping into the insights from experts in academia and engaging in discussions that reflect varied contexts,

we are able to deepen our awareness of the contours and nuances of racial, ethnic, and gender diversity in India. By listening and learning from diverse perspectives and lived experiences, we hope to become allies for all."

Ira Gupta, General Manager, Human Resources, Microsoft India

Australia and New Zealand

In Australia and New Zealand, we added options for employees to self-identify their culture, ethnicity, and Indigenous status for the first time this year. We worked closely with local teams, strategic external partners, and others to understand the nuances that would make these options appropriate and relevant for these countries. Employees in Australia and New Zealand also now have the option of self-identifying as a caregiver for children and/or adults/elders.



"At Microsoft Australia and New Zealand, we're committed to creating a workplace culture where all people feel heard, valued, and respected. A core part of how we're able to do that is through self-ID, which enables us to make progress

on our goal to create the most inclusive environment we can. It will help empower us to make more inclusive decisions around employee benefits and learning and development, and it allows for a more consistent employee experience."

Steven Worrall, Corporate Vice President, Microsoft Australia and New Zealand

Greater China Region (GCR)

This past year GCR GLEAM Employee Resource Group (ERG) built momentum around supporting the LGBTQIA+ community across Greater China. The community hosted an online panel discussion with external leaders from the LGBTQIA+ community in mainland China, Hong Kong, and Taiwan; established a new employee connection channel; and explored issues that matter with members of the LGBTQIA+ employee community as part of the GCR Inclusion Conference.



"I am very proud of the progress that GCR GLEAM has made in the past few years, going from very little awareness of LGBTQIA+ issues among employees to a strong support for these conversations across Greater China. Even to the point

of creating a culture where some employees have felt safe enough to fully be themselves at work."

Roan Kang, General Manager of Marketing & Operations, Microsoft GCR, and executive sponsor of GCR GLEAM

United Kingdom

As part of our wider efforts to increase opportunities for our employees to self-identify outside the US, we launched self-ID based on race and ethnicity in the United Kingdom in November 2020. Partnering with leaders, ERG chapters, and regional teams, we continued to share with employees that voluntarily answering the survey was critical to help us better understand community needs—whether they opt to disclose their identity or simply choose "I don't wish to answer." In the two years since launch, self-identification response levels rose from 10% to 65%. We still have much work to do, but we are encouraged by the progress so far.



"Self-ID is crucial to how we're able to retain and develop talent. Fundamentally, our employees want to know they are part of an organization that measures what matters and takes action where needed. Having a workforce of

employees with many different backgrounds, experiences, and identities is essential for us to be able to serve our customers, country, cities, and populations, while being representative of the places we live and work in."

Zephaniah Chukwudum, Director, Local Government Account Team Unit (ATU), Microsoft UK

For a company as large and global as Microsoft, conversations of identity are broad and deep. We look forward to staying curious and expanding our awareness and conversations around dimensions of identity worldwide.

Self-identification in the US

As the Microsoft workforce grows in number and diversity, we have the opportunity to increase how employees can self-identify. In the US, we've expanded some options for self-identification this year and are sharing some new insights for the first time. While participating in self-ID is always a voluntary and personal decision, by continuing to evolve our options, we aim to create an even more inclusive experience for employees. Self-identification increases the accuracy of our data and ensures that Microsoft is making principled program decisions on benefits, resourcing, and support.



Our core Microsoft business

Gender identity and sexual orientation

We offer employees the choice to identify on the basis of their sexual orientation, their gender identity (including options that go beyond binary gender terms), and/or as transgender in 28 countries including the US. We are continuing to explore how to expand beyond the markets where these self-ID questions are currently offered.



One goal of expanding self-identification is to affirm the many nuances of identity, including identities outside of or between the gender binary.

A focus on trans and non-binary people is a necessity because our communities are at the center of critical attempts to limit human rights across the US and the globe.

Non-binary people are also too often pushed to the side because of a limited and binary understanding of gender. A small but important part of this work is feeling seen through the available selfidentification options."

Sarah Bender, ERG & Community Experience Team Lead, Global Diversity & Inclusion, Microsoft

Dimensions of multiracial identity

For the first time this year, we're sharing added details on the population of US employees who identify as multiracial. When employees self-identify as multiracial, they now have additional options to be more specific about their racial and ethnic identities. Creating this additional space for employees to identify helps us gather more actionable data. But more importantly, we've heard from employees that having these options can help people feel more seen and included in the workplace.



Multiracial representation details*

41.0%

29.8%

HISPANIC AND LATINX

28.1%

NATIVE AMERICAN AND

12.4%

NATIVE HAWAIIAN AND PACIFIC ISLANDER 3.9%

76.4%

Dimensions of Asian identity

We've also expanded the options for Asian employees in the US to identify their backgrounds in further detail. The Asian community is the single largest racial and ethnic minority group within our company, encompassing more than 20 sub-identities and we recognized the importance of evolving the options. We aim to expand the detail we share in future reports once we have representative participation in this additional layer of self-identification.

^{*} Percentages are calculated to the 1/100th but rounded and published to the 1/10th. The total doesn't add up to 100 because employees providing multiracial detail may select two races and ethnicities.

Broader

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Military self-identification



Our core Microsoft business

US employees with military status

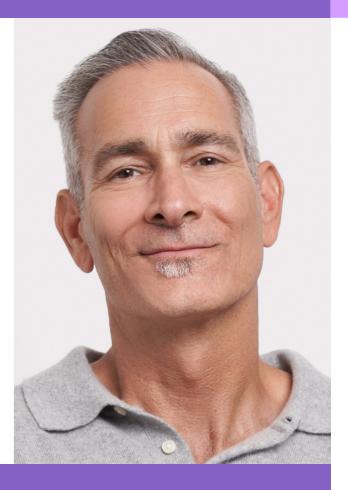
We offer employees the choice to identify as a person with military experience in 38 countries including the US. We're publishing data on representation of US employees with military status for the first time this year. Microsoft employs thousands of veterans and reserve service members in many countries around the world. We work closely with the Military at Microsoft Employee Resource Group and our Military Affairs team to attract and retain more employees with valuable military experience, increase access to career development opportunities, and learn how we can better support the military community within and beyond Microsoft.

We do so through efforts such as extending paid military leave of absence for employees called to serve and through the Microsoft Software and Systems Academy (MSSA), a training and job placement program that helps military service members and veterans transition to the civilian workforce and meaningful careers in tech.

By adding the military self-identification option, we aim to create more visibility for members of the Microsoft military community, spark discussion about the military experience at Microsoft, and better understand and support the diversity of our workforce. We aim to expand the detail we share in future reports once we have representative participation globally.

Notable highlights

- As of June 2022, 4.7% of US employees in our core Microsoft business self-identified as having served in the US Armed Forces or as having Protected Veteran status. This is a 0.4 percentage points increase from 2021.
- Of all US core Microsoft employees, 79.6% completed this portion of the anonymous survey this year, an increase from 78.5% last year.





"Our military community comes from wide-ranging service assignments and backgrounds and are equipped with agility, problem-solving, and leadership skills that inspire the best from their team. Microsoft embraces our strong employee community of military veterans in 38 countries with committed support. Programs like Microsoft Software and Systems Academy illustrate Microsoft's sustained commitment to the military community by developing the upcoming veteran talent needed to fill key roles in Microsoft and over 1,000 Microsoft customers who hire from our program."

US employees with disabilities

More than one billion people around the world live with a disability, and at some point, most of us will likely face some type of temporary, situational, or permanent disability. Employment and education rates are lower and poverty rates are higher for people with disabilities. From our 25+ years of work on accessibility at Microsoft, we've learned that people with disabilities represent one of the world's largest untapped talent pools, and that inclusion of people with disabilities is crucial to achieving our mission.



Our ambition is to fully represent the population of people with disabilities across the globe, and we take that seriously. Our employee 'Count Me In'

campaign provides Microsoft employees an opportunity to choose to be counted in having a disability."

Jenny Lay-Flurrie, Chief Accessibility Officer, Microsoft

Our core Microsoft business

Employees with disabilities have been the catalysts of Microsoft innovations including Learning Tools, live captioning in Teams, the Xbox Adaptive Controller, Microsoft Adaptive Accessories, Surface Adaptive Kit, and many more. We continue to actively work to hire people with disabilities to bring their expertise into our processes, products, and culture at every level. To ensure we're making investments at the right level and to better understand our workforce of employees with disabilities, we encourage people to voluntarily self-identify as having a disability. We currently offer this option in 46 countries including the US. We aim to expand the detail we share in future reports once we have representative participation globally.

This past year, 36.0% of US core Microsoft employees completed this portion of the anonymous survey, a decrease from 43.4% last year.

Disability is part of the human experience, and as we continue to live with the impact of the pandemic, we will continue to learn more about long COVID, mental health, and neurodiversity. This insight will increase both understanding of disability and the number of people who identify as having a disability.

There's much more to learn. As more people experience some form of disability in their lives and among those around them, we continue to strive to foster a safe environment and welcoming culture where everyone can bring their authentic selves to work, inclusive of their disability.

As of June 2022, 7.8% of US employees in our core Microsoft business self-identify as having a disability, up 0.7 percentage points from 2021.



Innovation spotlight Inclusive hiring and innovating access to tech careers

At Microsoft, we know that a workforce made up of people of all backgrounds, skills, and experiences expands our perspectives, accelerates innovation, and makes us more competitive. And we're clear that a lack of different perspectives is not because of a lack of talent, but because of a lack of access. This compels us to innovate in order to increase access into technology careers, changing the system by opening up new entry points to people outside traditional academic paths or experiences.



"At Microsoft, we truly believe that different perspectives and experiences make us better—more creative, more competitive, and more innovative. We're focused on creating

opportunities and pathways for candidates who have a breadth of skills, a growth mindset, and desire to learn, regardless of how they found their way into tech."

Lauren Gardner, Corporate Vice President, Global Talent Acquisition, Microsoft

Examples of our programs include:

- The Microsoft Neurodiversity Hiring Program is designed to give candidates the opportunity to showcase their unique talents while learning about Microsoft as an employer of choice. Over the course of four days, candidates engage in interview preparation activities, gain a better understanding of Microsoft's culture, and meet with members of the neurodiverse community.
- Microsoft Leap's mission is to recruit, develop, and upskill talent that might not traditionally have pathways into technology careers. Our program is designed to be an integrated learning experience combining classroom learning (in person or virtual) with on-the-job training. Microsoft Leap prioritizes non-traditional candidates with a range of backgrounds, skills, and experiences who showcase creativity, commitment, resilience, and problemsolving ability. Having established our presence in the US, Canada, Latin America, Nigeria, Kenya, and Ireland, we are committed to expanding our global footprint and partnering with shared communities.
- For the HBCU Cybersecurity Industry Collaboration Pilot, we partnered closely with Abbott and Raytheon Technologies. This program, led by Advancing Minorities' Interest in Engineering (AMIE) in collaboration with the deans of Hampton University, North Carolina A&T, Virginia State University, and Prairie View A&M University, builds capacity in cybersecurity and connects students to educational and career opportunities.



"Partnerships between learning institutions and for-profit companies are critical for shared growth. Our goal with this initiative is to enhance cybersecurity curricula at Historically Black Colleges and Universities (HBCUs), so we can provide students with

more opportunities for future careers in the burgeoning field of cybersecurity, and Microsoft can also learn from the workforce of the future."

Brissa Quiroz, PhD, Lead, University Relations, Microsoft



Few companies in the world hire at the scale of Microsoft, both in terms of volume of hires and breadth of roles. Along with opening up innovative pathways into technology, we also focus on inclusive hiring, which requires consciously setting aside preconceived notions of the kinds of experiences that employees should have.

This year, we enhanced our interview and hiring processes with an updated inclusive hiring training required for all managers and available to interviewers.

Racial Equity Initiative

We're committed to addressing racial injustice and inequity for Black and African American and Hispanic and Latinx communities and to helping improve lived experiences at Microsoft and beyond.

Our Racial Equity Initiative, announced in June 2020 for our core US Microsoft business, focuses on three multiyear pillars, each containing actions and progress we expect to make or exceed by 2025.



Our core Microsoft business

Our Racial Equity Initiative pillars

- Strengthening our communities: We're using data, technology, and partnerships to help improve the lives of Black and African American people in the US, including our employees and their communities.
- Increasing representation and strengthening a culture of inclusion: We're building on our momentum, adding a \$150 million investment to strengthen inclusion and double the number of US Black and African American and Hispanic and Latinx people managers, senior individual contributors, and senior leaders by 2025.
- Engaging our ecosystem: We're using our balance sheet and relationships with suppliers and partners to foster societal change and create new opportunity.

Progress highlights

We're encouraged by our momentum toward fulfilling our representation commitments by 2025. As of June 2022:

Black and African American

PEOPLE MANAGERS
(BELOW DIRECTOR LEVEL)

116.0%

of our 2025 commitment

DIRECTORS, PARTNERS. AND EXECUTIVES (INCLUDING PEOPLE MANAGERS AND INDIVIDUAL CONTRIBUTORS)

92.0%

of our 2025 commitment

Hispanic and Latinx

PEOPLE MANAGERS

46.5%

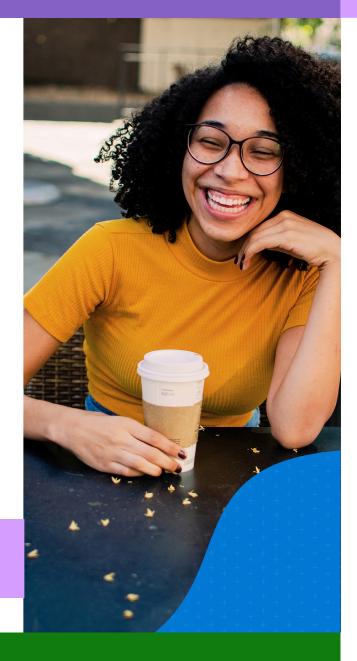
of our 2025 commitment

DIRECTORS, PARTNERS, AND INDIVIDUAL

57.6%

of our 2025 commitment

Read more about these commitments and updates on our progress across these pillars.



Racial Equity Initiative



Our core Microsoft business

Development and learning

- We've launched 38 cohorts of our opt-in differentiated development programs for mid- and senior-level leadership to date, with further staged cohorts planned for next year and beyond. During the nine-month experience, direct managers of all participants are required to participate in a parallel track to grow how they understand and support their employees.
- More than 98% of employees have completed required D&I learning courses on allyship, covering, privilege, and unconscious bias in the workplace. These concepts form the basis of shared language and understanding that build the foundation for long-term habit formation and change throughout the organization.
- We introduced the Race and Ethnicity Learning Path as the first of four personalized, voluntary D&I learning experiences for employees.

Student opportunities

We collaborate with Historically Black Colleges and Universities (HBCUs) and Hispanic-Serving Institutions (HSIs) to enable students in these communities to pursue studies and careers in computer science and related fields.

By pairing financial support with direct collaboration on curriculum design, recruiting, and career mentorship, we can advance dialogue and learning on both sides to support student success.

We've established partnerships with three HSIs and 18 HBCUs. And as part of our Racial Equity Initiative, we've provided \$8 million in funding over the past two years to HBCUs, and Microsoft employees have donated over \$1.1 million.



Through the external-facing <u>Inclusion Journey</u> site, we continue to engage with our ecosystem. We learn from experts who speak to critical topics such as how to create a culture of inclusion for members of the Black and African American community, from Dr. Lawrence Bobo, and for members of the Hispanic and Latinx community, from Dr. G. Cristina Mora.



Watch the full interview with Dr. Lawrence Bobo



Watch the full interview with Dr. G. Cristina Mora



Innovation spotlight Public policy on a local and global scale

At Microsoft, we've long leveraged our platform to influence policy change and address issues that impact the lived experience, safety, and <u>fundamental rights</u> of employees and their communities around the world. At times our advocacy has taken the industry lead; for example, we were one of the first organizations to advocate publicly for marriage equality in Washington State in 2011.

Because we know many voices are more effective than a single voice, we often partner closely with other organizations in the US and around the world. This was true in July 2022, when we signed a letter, along with more than 150 other companies and the Human Rights Campaign, in support of the Respect for Marriage Act to protect marriage equality across the US.

We regularly engage with governments, public institutions, and standards bodies across a range of issues, such as taking global action on behalf of our employees to accelerate LGBTQIA+ equality and inclusion globally.

Our efforts in this area include:

- Advocating for the Equality Act in the US and marriage equality in the US, Taiwan, Chile, and Switzerland
- Collaborating with the United Nations on its global Standards of Conduct for Business to tackle discrimination against LGBTQIA+ people
- Signing on in support of the UN LGBTIQ+ Standards Gap Analysis Tool, which aims to help companies do their part to counter human rights violations and promote LGBTQIA+ inclusion in the workplace and beyond
- Joining the Human Rights Campaign in the state of Texas and signing an ad opposing criminalizing parents' efforts to help transgender children access medically necessary, age-appropriate care

In addition, we've taken action on other key issues:

- Continued to advocate for immigration reform and the protection and strengthening of the US Deferred Action for Childhood Arrivals (DACA) program, including offering pro bono legal services to 88 DACA recipients
- Partnered to support more accessible digital city services for people with disabilities through a new procurement model under an inclusive cities project with G3ict, the G20 Smart City Alliance, and the World Economic Forum
- Partnered with the Center for Civic Design to launch the Disability Voting Index, a new tool that offers a single, centralized location to quickly search and understand accessibility options in all 50 states so that more people with disabilities can participate in the electoral process
- Been a signatory since 2010 to the UN's Global Compact Women's Empowerment Principles
- Advocated for voting rights protections in the state of Georgia



"Thoughtful engagement is how we make progress on the issues that matter. By leveraging our platform and working collaboratively with partners, Microsoft helps drive change and works to address critical issues

impacting the rights of our employees and those in the communities where we live and work."

Fred Humphries, Corporate Vice President, US Government Affairs, Microsoft

In some situations and locations, public policy advocacy may not be the most appropriate way to move the needle on issues such as LGBTQIA+ rights. In these cases, we focus more on what researcher Kenji Yoshino calls the "Embassy" model. In <u>research</u> with Microsoft, he explains this means providing inclusive policies and practices to our own employees while also building internal awareness and capacity. In all our decisions and actions, we intentionally center the rights and safety of employees.



"It's really hard to believe that you belong in an organization if you believe the organization doesn't see who you truly are."

Kenji Yoshino, Chief Justice Earl Warren Professor of Constitutional Law, NYU School of Law and author of Say the Right Thing: How to Talk About Identity, Diversity, and Justice

Exits

This year, for the first time, we're reporting data on workforce exits of employees who have left the core Microsoft business voluntarily or involuntarily, by women and men globally and race and ethnicity in the US.

These numbers reflect the exits by members belonging to a particular group as a percentage of total employee exits within the respective year.

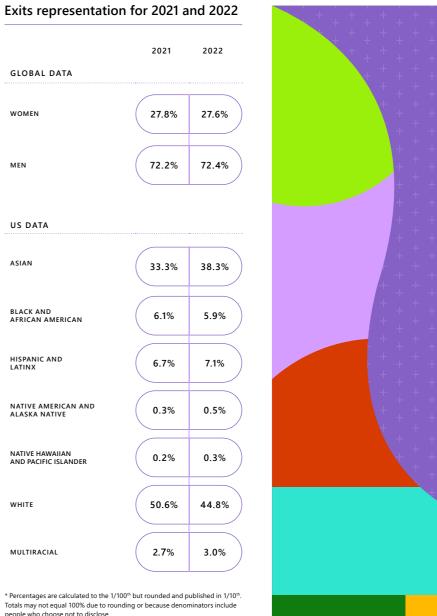
Our core Microsoft business

Notable highlights

- This year, exits representation for Black and African American employees was lower than headcount representation, 5.9% versus 6.6%, and exits representation declined 0.3 percentage points year over year. Last year, exits representation for this group was higher than headcount representation, 6.1% versus 5.7%.
- For Hispanic and Latinx employees, exits representation was below headcount representation both this year and last but rose by 0.4 percentage points year over year to 7.1%.
- In 2022, exits representation for Asian (38.3%), Native American and Alaska Native (0.5%), and multiracial (3.0%) communities increased year over year and was greater than headcount representation (35.8%, 0.4%, and 2.6%, respectively).

WOMEN	27.8%	27.6%
MEN	72.2%	72.4%
US DATA		
ASIAN	33.3%	38.3%
BLACK AND AFRICAN AMERICAN	6.1%	5.9%
HISPANIC AND LATINX	6.7%	7.1%
NATIVE AMERICAN AND ALASKA NATIVE	0.3%	0.5%
NATIVE HAWAIIAN AND PACIFIC ISLANDER	0.2%	0.3%
WHITE	50.6%	44.8%
MULTIRACIAL	2.7%	3.0%

people who choose not to disclose



Broader

Innovation spotlight **Employee experience**

We set standards with our employee experience so that employees feel supported and engaged in all the moments that matter at work and beyond. Our approach is informed by an evolving understanding of employees' identities and needs across life phases, cultures, family structures, personal and career goals, and more.



Benefits

We've been a longstanding leader in inclusive benefits. For instance, in 1993, Microsoft was one of the first Fortune 500 companies to provide same-gender domestic partner benefits. We continually evolve our offerings based on external environments and employee feedback.

Our offerings, depending on local laws and demand, include:

- · Parental and caregiver leave for all employees, regardless of gender or family structure
- Family planning, fertility, and adoption support
- Gender-affirming healthcare services
- Disability accommodations and support
- Full-coverage health care, including mental health care

Since 2021, we've added:

- Paid COVID-19 leave for caregivers, rolled out in January 2022, and still available to all employees
- Paid leave for parents facing extended school closures during the COVID-19 pandemic, offered from April 2020 to June 2022; and vaccine childcare support leave for children under five currently still available
- Well-being support for all employees

Access to healthcare

We understand that for some populations, certain essential healthcare services may be difficult for employees to access where they live. We have extended our existing limited travel benefit to include travel expense support for medical services—including services such as abortion and gender-affirming care—covered in the US health plans where access to care is limited in availability in an employee's home geographic region.

Flexible work

Flexibility for how and where work gets done has never been more important. We learned a lot during the COVID-19 pandemic and are applying those learnings and more to the hybrid offerings we provide to all employees. Even before the pandemic, many of our roles allowed for some degree of flexibility for when and where work gets done. With new hybrid work learnings, we encourage all employees and managers to challenge assumptions so that we may offer the most flexibility possible.

We also know that flexible work does not solve the challenges companies face around D&I. In the workplace reshuffle, it becomes even more critical to create inclusive experiences and cultures.

One of the ways we do this is by continually working to broaden our understanding of what inclusion looks like and how it feels. Inclusion is about unlocking an experience—being actively incorporated, valued, and recognized in a meaningful work experience. Inclusion is ultimately about how people notice their contributions showing up, influencing the trajectory of projects, outcomes, and perspectives.

At Microsoft, we encourage employees to be intentional and to ask, "How can we continue to be inclusive of every person, especially when not everyone might be in the same room?" We lean into our practice of allyship—for example, when inviting someone into a project, we're conscious to create the conditions for people to succeed across time zones and modalities.

We leverage our employee listening tools to understand what employees feel and what they need. And we look to research, including our own, to truly understand employees' preferences without making assumptions. For instance, a recent survey of our employees uncovered that preferences for fully remote, or 100% work from home (WFH), are relatively similar between men and women. This data empowers our HR leaders and managers to support their employees' flexibility preferences without making gender-based assumptions around preferences and needs.

It's also important not to conflate collaboration with inclusion. Not all collaboration leads to inclusion; collaboration is part of, but not the end of, inclusion. For example, ensuring someone has the opportunity to share their perspective, but then not taking their suggestions into consideration, does not result in the person feeling more valued or part of the team. Because of this, inclusion in the hybrid workplace must go beyond tooling to encompass behavior.

Binna Kandola, business psychologist and co-founder of Pearn Kandola, explores microaggressions, bias, and exclusion in the workplace so that we can better understand how to continue to strengthen inclusive behaviors.



Watch the full interview with Binna Kandola

Pay equity

At Microsoft, we are committed to the principle of pay equity. Pay equity accounts for factors that legitimately influence total pay, including things like job title, level, and tenure. Our pay equity analysis adjusts for these factors in support of our commitment to pay employees equitably for substantially similar work.

Total pay

This pay equity data represents total pay.

Our total pay analysis considers base, annual bonus, and stock awards at the time of annual rewards for rewardseligible employees.*

Our core Microsoft business

RACIAL AND ETHNIC

\$1.008

As of September 2022, inside the US, all racial and ethnic minorities who are rewards eligible combined earn \$1.008 total pay for every \$1.000 earned by US rewards-eligible white employees with the same job title and level and considering tenure.

Specifically, for those who are rewards eligible, US Black and African American employees earn \$1.004; Hispanic and Latinx employees earn \$1.002; and Asian employees earn \$1.011 for every \$1.000 earned by US rewards-eligible white employees with the same job title and level and considering tenure.

WOMEN IN THE US

\$1.007

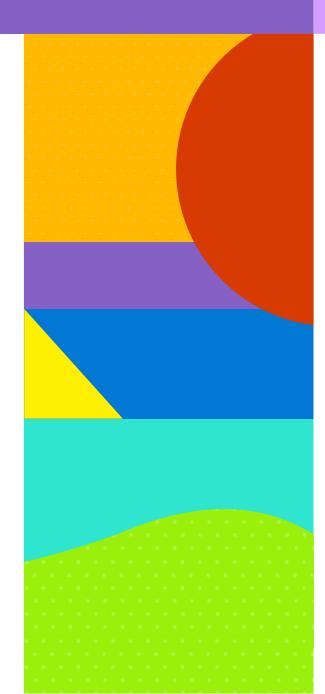
As of September 2022, inside the US, women who are rewards eligible earn \$1.007 total pay for every \$1.000 earned by rewards-eligible employees who are men and have the same job title and level and considering tenure.

WOMEN OUTSIDE THE US

\$1.002

As of September 2022, outside the US, women who are rewards eligible earn \$1.002 total pay for every \$1.000 earned by men who are rewards eligible with the same job title and level and considering tenure in these combined geographies.

In this year's report we again expanded our pay equity data beyond the US to report on 61 additional countries (up from 12 last year). We have included all countries with 30 or more employees and at least five men and five women, to ensure statistical reliability. The employee population of these 61 countries plus the US population represents 99.8% of our global Microsoft workforce.*



^{*} All Microsoft employees are eligible for rewards if they have worked more than 90 days in the fiscal year, provided they are still employed during the rewards period. For this reporting period, rewards-eligible employees were 87.9% of our total core workforce.

^{*} Argentina, Australia, Austria, Belgium, Brazil, Bulgaria, Canada, Chile, China, Costa Rica, Colombia, Croatia, Czechia, Denmark, Egypt, Estonia, Finland, France, Germany, Greece, Hong Kong, Hungary, India, Indonesia, Ireland, Israel, Italy, Japan, Jordan, Kenya, Korea, Malaysia, Mexico, Morocco, Netherlands, New Zealand, Nigeria, Norway, Peru, Philippines, Poland, Portugal, Puerto Rico, Qatar, Romania, Saudi Arabia, Serbia, Singapore, Slovakia, Slovenia, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, Ukraine, United Arab Emirates, United Kingdom, United States, Vietnam

Conclusion

Median unadjusted pay analysis

To further highlight the opportunity to continue to make progress on representation at all levels of the company, we have chosen to voluntarily disclose the unadjusted differences in median total pay at Microsoft.

Our core Microsoft business

Pay equity analysis (adjusted pay) vs. median unadjusted pay analysis

There are a number of factors that legitimately influence total pay, including things like job title, level, and tenure. The analysis that takes all of those factors into account is referred to as pay equity analysis, or adjusted pay analysis. This supports our commitment to pay employees equitably for substantially similar work.

We have voluntarily reported our pay equity figures since 2016, and while pay equity is a critical factor, it is only one factor in how we think about D&I progress. We must also look to any differences in median pay when we don't adjust for things like job title, level, and tenure.

Median unadjusted pay analysis gathers the total pay amounts for all employees across a company, regardless of factors such as job title, level, or tenure, sorts those amounts by value, and then identifies the number that is in the middle, or median, of all of those data points. The difference between that median pay amount for any two employee groups is referred to as a median unadjusted pay gap. Reviewing any differences gives another insight into representation across the company. We are making meaningful progress on representation, and to ensure we remain committed to continued improvement, we will now also share visibility into differences in median unadjusted pay figures.

For employees in the US who are eligible for rewards,* the median unadjusted pay analysis shows total pay for women is 89.6% of total pay for men. For employees outside of the US who are eligible for rewards, the median unadjusted pay analysis shows that the total pay for women is 86.2% of total pay for men.

For employees in the US who are eligible for rewards, the median unadjusted pay analysis shows that the total pay for racial and ethnic minorities is 89.9% of total pay for white employees. Specifically, for employees in the US who are eligible for rewards, the median unadjusted pay analysis shows that the total pay for Black and African American employees is 76.7%; for Hispanic and Latinx employees is 81.6%; and for Asian employees is 94.6% of the total pay for white employees.

As we continue to increase representation for women and racial and ethnic minorities at more senior levels, and continue to ensure pay equity for all, the gap between the medians will reduce. This additional data transparency will help us continue to strengthen our commitment to increasing representation at all levels and in all roles.

* All Microsoft employees are eligible for rewards if they have worked more than 90 days in the fiscal year, provided they are still employed during the rewards period. For this reporting period, rewards-eligible employees were 87.9% of our total core workforce.

How representation affects differences in median unadjusted pay

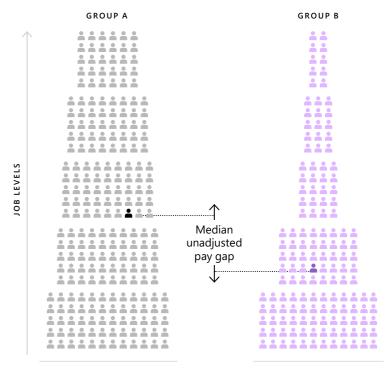
Understanding median pay

The median is the middle value of a data set. Therefore, median pay for a group of employees represents the value where half of the employees in that group are paid higher than that point and half of the employees in that group are paid lower.



Understanding median unadjusted pay analysis

A median unadjusted pay gap is the difference in median total pay between any two employee groups.



NUMBER OF GROUP MEMBERS IN EMPLOYEE POPULATION

Example only. These graphics are for illustrative purposes only and do not represent any specific community or employee group.

The state of diversity & inclusion

Employee Signals and thriving

It's critical for us to understand how employees feel about their experience, and that means continually evolving our approach so that we're always measuring what matters.

In past years, we conducted one lengthy, annual survey that measured employee engagement across the core Microsoft business. In 2022, we optimized the way we listen by introducing Employee Signals, which focuses on the employee experience and runs twice per year, helping us stay closer to employees' feedback and take more immediate action in response.



Our core Microsoft business

Thriving

With Employee Signals, we've shifted our focus from "engagement" to "thriving," which we define as "being energized and empowered to do meaningful work." We survey employees on three dimensions of thriving: energized, empowered, and meaningful work.

This is designed to measure employees' sense of purpose, which is important to personal and professional fulfillment. We calculate average scores based on participants' responses on a five-point scale ranging from "Strongly disagree," which equals a score of 0, to "Strongly agree," which equals a score of 100.

Notable highlights

- This year, thriving scores averaged 77 across the company—a number we see as strong, but one we must still work on improving. When we broke down thriving into its three components, we saw that meaningful work (79) and empowerment (79) both scored higher among employees than energized (73).
- Globally, both men and women had an average thriving score of 77, and meaningful work and empowerment scores of 79. The only thriving difference showed up in energized, with men at 73 and women at 72.
- Black and African American and Hispanic and Latinx employees report higher thriving scores (both at 78) than the US average score of 76 and were the only two racial and ethnic groups to score above the average.

Written responses from the survey offer an opportunity for deeper understanding. The most common thread among those who were not thriving was a feeling of exclusion, including a lack of collaboration, feeling left out of decisions, and struggling with internal politics and bureaucracy.

In contrast, thriving employees talked about a collaborative environment and teamwork with colleagues, an inclusive culture with autonomy and flexibility, and support for their development and well-being.

Employee Signals 2022 survey results*

GLOBAL DATA	THRIVING	ENERGIZED	EMPOWERED	MEANINGFUL WORK				
WOMEN	77	72	79	79				
MEN	77	73	79	79				
US DATA								
ASIAN	76	72	78	77				
BLACK AND AFRICAN AMERICAN	78	73	81	79				
HISPANIC AND LATINX	78	73	80	80				
NATIVE AMERICAN AND ALASKA NATIVE	76	73	78	78				
NATIVE HAWAIIAN AND PACIFIC ISLANDER	76	69	81	77				
WHITE	75	70	77	78				
MULTIRACIAL	73	68	76	75				

* Data visualization on this page is not to mathematical scale

Inclusion

Understanding how included employees feel is key to closing the gap between the culture we aspire to and the lived experience of every person at Microsoft.



Our core Microsoft business

In the past, we've used our Inclusion Index, part of the annual company survey, as a key indicator of employee sentiment around inclusion.

This year, we sunset the Inclusion Index to focus on the following sentiments in Employee Signals:

- · I feel included in my team.
- I understand what is expected of me on a daily basis to contribute to a diverse and inclusive Microsoft.

Both items signal whether our collective efforts enable everyone to feel included and deepen individual and organizational D&I awareness, acumen, and adoption.

Employees respond to this question on a five-point "Strongly disagree" to "Strongly agree" scale similar to that of our thriving items.

Employee Signals will continue to measure these two aspects of D&I in each survey for the foreseeable future. We also have the opportunity to include additional topics on a rotating basis to measure other inclusion-related sentiment as needs evolve.

Employee Signals 2022 survey results*

Inclusive team

- In 2022, the "inclusive team" item scored 85 for women and 86 for men globally.
- Hispanic and Latinx, Native Hawaiian and Pacific Islander, and white employees all scored 86, above the US average of **85**.
- · Black and African American and multiracial employees scored 85, at the US average.
- Asian (84) and Native American and Alaska Native employees (83) scored below the US average of 85.

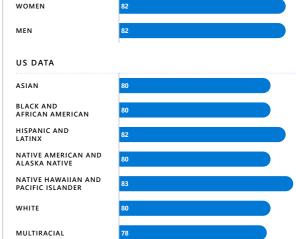
Contribute to D&I

- The "contribute to D&I" item scored 82 for both women and men globally in 2022.
- Hispanic and Latinx (82) and Native Hawaiian and Pacific Islander (83) employees scored above the US average of 80.
- Black and African American, Asian, Native American and Alaska Native, and white employees scored at the US average of 80.
- The multiracial group (78) was the only employee group to score below the US average.



WOMEN MEN US DATA ASIAN BLACK AND AFRICAN AMERICAN HISPANIC AND NATIVE AMERICAN AND ALASKA NATIVE NATIVE HAWAIIAN AND PACIFIC ISLANDER WHITE MULTIRACIAL

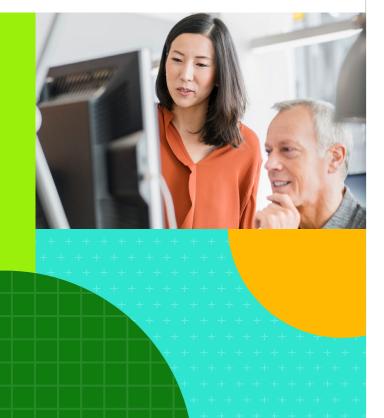
GLOBAL DATA



^{*} Data visualization on this page is not to mathematical scale

Feedback

Along with Employee Signals, we use many other formal and informal feedback mechanisms to help us better understand the lived experiences of employees. This feedback gives us critical insights that inform the evolution of our programs as well as how we hold leaders and managers accountable for driving change on D&I.



Our core Microsoft business

Sample feedback sources:

- · Microsoft Daily Pulse, a short survey sent to a random sample of 2,500 employees each business day
- Leadership Signals, a survey that provides insights to senior leaders at the Partner level and above about how employees view their effectiveness
- Employee lifecycle surveys such as onboarding, exit, and internal mobility surveys that help us understand key moments in employees' careers
- Location-specific surveys to understand the experiences of employees in different parts of the world
- The Manager Feedback Tool, designed for employees to provide feedback on how their managers are doing on model, coach, and care behaviors
- Employee Resource Groups, which provide meaningful community perspectives and critical feedback
- Our internal social platform, Yammer, which enables employees to engage in discussions about important issues
- AskHR, our frontline HR support team, which collects feedback from employees
- Focus groups, which we host on a wide range of topics, from the evolution of our company culture to the benefits and services that would be most meaningful to the communities within Microsoft

Innovation spotlight Shifting behavior

At Microsoft, we connect a growth mindset—our cultural cornerstone—to D&I through the foundational concept of allyship, which we define as "an intentional decision to understand, empathize, and act in support of others."



"Realizing D&I requires acquisition of new skills as well as deep changes in behaviors. We create the spaces and experiences for awareness building, application of knowledge, and practicing the skills that will empower

employees to ask the tough questions: 'Who's missing? Whose perspectives are we not taking into account? What policies do we need to change?""

Diana Navas-Rosette, Senior Director, Global Diversity & Inclusion, Communities, Strategic Solutions, and Innovation, Microsoft

Allyship

We know that inclusion is the result of actions we take every day in support of others, but traditional D&I training has its limitations. To support the building of inclusive behaviors, we partnered with leading academics to craft a unique employee learning program, grounded in neuroscience and habit formation. In addition to required learning for all employees on allyship, covering, and privilege, we have personalized learning paths that allow our employees to continue building knowledge and awareness while providing spaces for practice, social learning, and application. We measure awareness and application of these concepts among our workforce.

- We started asking employees about their awareness of the concept of allyship in the workplace in 2019. At that time, 65.0% of employees had some level of awareness.
- In 2022, 90.3% of employees had some level of awareness.

We can increase awareness of allyship further by introducing allyship as early as employee onboarding and continuing to reinforce this concept and create opportunities for practice and application.

Learning opportunities

At Microsoft, each of us has the power to transform our culture by learning and then applying that learning to improve the lived experience of our coworkers. We created our year-old Learning Pathways to help employees grow their awareness of the experiences of different communities and identities, so they can become more intentional about how they drive change. The curated D&I content is personalized for each user, depending on their interests and level of knowledge. Learners can choose different paths that cover D&I basics, core D&I concepts, or identity-based topics including race and gender. These offer foundational knowledge, awareness, practical skills, and the opportunity to engage in discussion via Microsoft forums. So far, 12,000 learners have taken part in Learning Pathways.

We also use our platform to engage with experts from around the globe who research and innovate in the D&I space and provide perspectives that inform and spur action. These critical conversations explore such topics as intersectionality, mental health, faith, gender identity, non-traditional families, and more.

Employee Resource Groups

Since 1989, Employee Resource Groups (ERGs) at Microsoft have provided critical support for employee communities to feel more connected, supported, and included.

ERGs are employee-led and centrally funded with support and governance from the Global Diversity & Inclusion team, and they are integral to the way we activate D&I at Microsoft.

ERGs:

- Provide career development and networking opportunities
- · Create spaces for connection, support, and celebration
- Drive activities that promote community engagement and cultural awareness

Our core Microsoft business



The nine ERGs at Microsoft are:

- · Asians at Microsoft
- BAM (Blacks at Microsoft)
- · Disability at Microsoft
- · Families at Microsoft
- GLEAM (Global LGBTQIA+ **Employees and Allies at Microsoft)**
- HOLA (Hispanic and Latinx Organization of Leaders in Action)
- · Indigenous at Microsoft
- · Military at Microsoft
- · Women at Microsoft

Each ERG has a set of rotating executive sponsors, and these sponsors constitute the CEO Inclusion Council, which creates a unique open channel of communication between employee communities and the company's executive leadership through regular touchpoints with the CPO and CEO. This direct executive access to critical community insights and experiences provides an important feedback loop that helps keep our company community centered.

Importantly, ERGs also play a key role in informing how we develop and advocate for policies and processes that support employees of all communities and identities.

A few examples of how ERGs help:

- GLEAM perspectives were instrumental as we became one of the first companies to provide gender-affirming health benefits and extend benefits to same-sex couples. They also helped shape the LGBTQIA+ informational video series we created to educate employees about foundational concepts related to gender identity, gender expression, and sexual orientation.
- The BAM community provides ongoing feedback on Microsoft's Racial Equity Initiative and how the teams leading that work connect with the community to provide updates on progress and identify areas of opportunity.
- · The Families community's strategic input was instrumental in our development of COVID-19 leave for caregivers.



Recognition

We don't invest in our D&I work with a goal of winning awards or gaining accolades. But we do appreciate that many different stakeholders, including partners and potential collaborators and employees, view these third-party assessments as objective indications of how well we're demonstrating the strength of our commitment.

Potential employees often learn about our culture and diversity and inclusion efforts from these reviews, which can factor in where they decide to work. Frequently, outside appraisals do let us know where we have room to improve and inspire us to keep learning and growing.

Here are some of the ways we've been recognized for our efforts over the past year.



Our core Microsoft business

Comparably's Best Global Company Culture 2022

Conclusion

Awarded March 2022

Comparably's Best CEOs for Diversity 2022

Awarded July 2022

Disability: IN Best Places to Work 2022

Awarded August 2022

ESGR Extraordinary Employer Support Award

Awarded November 2021

Fast Company's Best Workplaces for Innovators

Awarded August 2022

Fast Company's 2022 Diverse Innovators List

Awarded August 2022

Forbes Canada's Best Employers

Awarded January 2022

Forbes America's Best Employers for New Grads

Awarded May 2022

Forbes America's Best Large Employers

Awarded February 2022

Forbes America's Best Employers for Women

Awarded July 2022

Forbes America's Best Employers by State

#1 in New Jersey and Washington, D.C.

Top 10 in Georgia, Indiana, Kentucky, Massachusetts, Missouri, Nevada, New York, North Carolina, Pennsylvania, Tennessee, Virginia, Washington, and Wisconsin

Awarded August 2022

Glassdoor's Best Places to Work 2022

Awarded January 2022

Global Semiconductor Alliance Designing the Difference Award

Awarded September 2022

Human Rights Campaign Corporate Equality Index 2022

Awarded January 2022

Insider's 100 People Transforming Business

Awarded November 2021

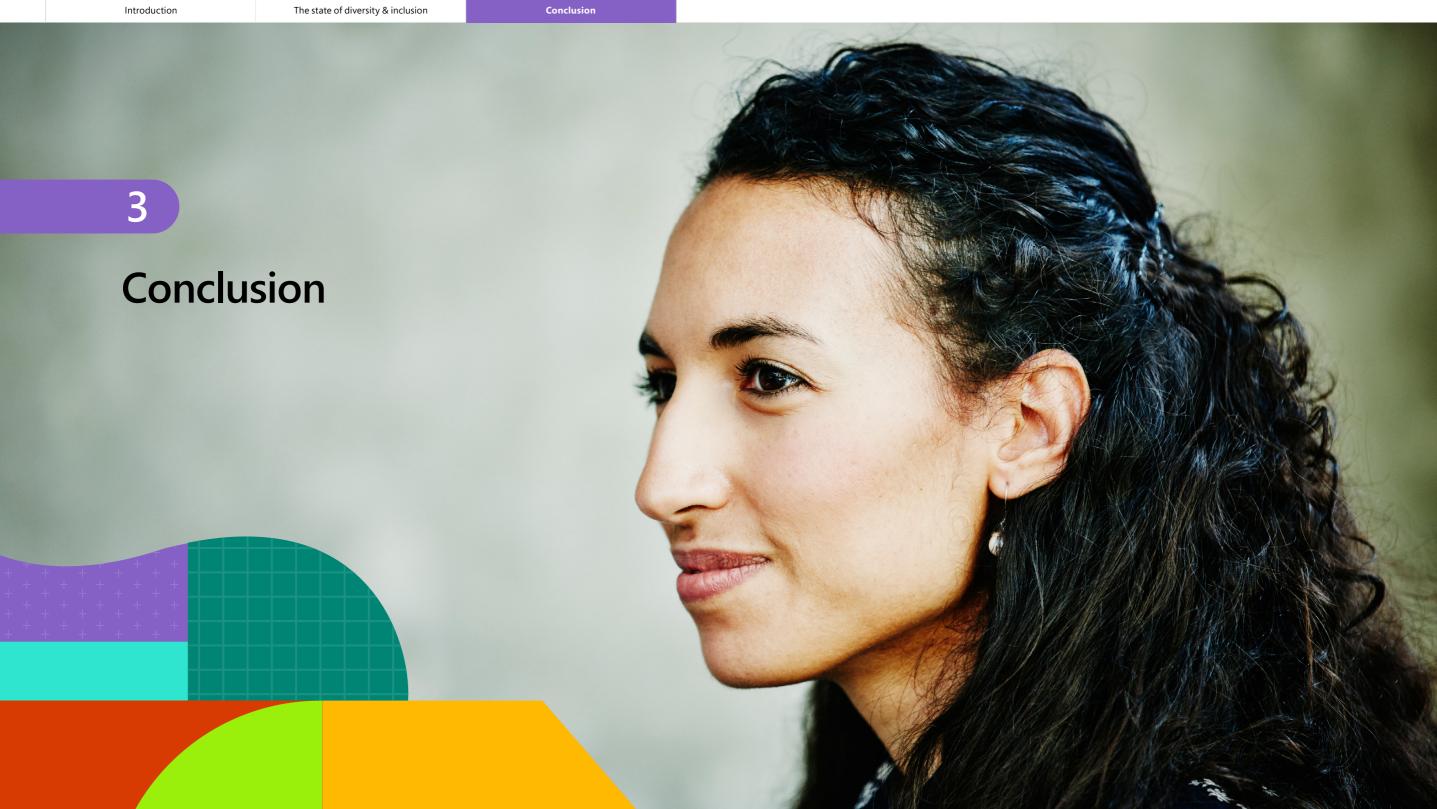
Randstand Most Attractive Employers in the Czech Republic 2022

Awarded June 2022

Randstand Most Attractive Employers in India 2022

Awarded July 2022





Conclusion

Relentless in our focus

"While always committed, we're now unapologetic in the standards we've set and the behaviors we expect."

Lindsay-Rae McIntyre, Chief Diversity Officer, Microsoft Four years ago, we made the decision to be even more declarative internally and externally about our dedication to diversity and inclusion at Microsoft.

In alignment with our growth mindset culture, we embedded D&I as a performance expectation for all employees, to bring to the forefront our vision of a truly inclusive culture for all.

Of the new employees who join Microsoft—like the net-new 40,000 who joined just this past year—most report that they're choosing Microsoft because of our culture. Our employee initiatives, our data transparency, our accountability measures, and our progress all speak to the same thing. As a result, new employees know what they're signing up for. They come with clarity about the type of company we aspire to be and the things they need to do to strengthen and sustain the culture we're creating together.

This isn't about a pledge or a performance. It's about being deeply connected to the powerful impact on our lived experience when the people we spend our workdays with value inclusion and embrace difference with the same willingness we do.

Despite current conditions, geopolitical instability, and economic headwinds, we remain optimistic about the future and relentless in our focus on systemic progress.

The possibilities for employees to thrive, for teams to collaborate, for organizations to excel, and for customers, partners, and developers to innovate are unlocked when we all have the same shared commitment.

Together we continue to support Microsoft's inherently inclusive mission and cultivate the inclusive culture necessary to make it real.







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