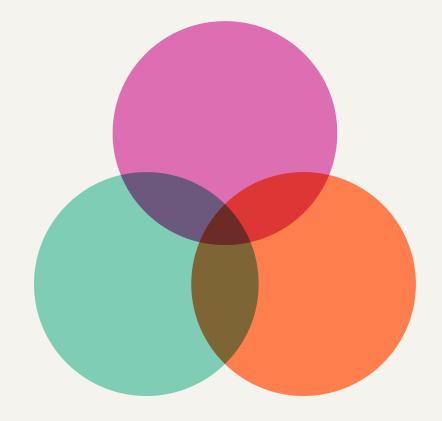
DEI Progress Report



BILL & MELINDA GATES foundation

Introduction

Since 2000, the Bill & Melinda Gates Foundation has been committed to helping build a world where every person has the chance to live a healthy, productive life. For many years, we mostly did that by focusing on complex challenges beyond our walls. But now we understand that's not enough.

Working at the Gates Foundation means always asking how we can make the biggest possible difference. How can we save the most lives? Provide the greatest opportunity? Unlock the most important innovations?

We have come to believe that two other questions are just as important: How do our own processes, behaviors, and culture limit the impact we can make in the world? And how can we do better?

<u>Our commitment to diversity, equity, and inclusion</u> (DEI), which we made public in 2021, says:

As the world's largest private foundation, we understand our immense privilege and responsibility. We recognize the inherent power imbalances in our work. We must look critically at our own culture and practices, while building on our existing work in gender equality and listening to and learning from the many organizations that have undertaken their own DEI journeys. And because knowledge is necessary but insufficient, we pledge to turn our learnings into actions that lead to greater impact and measurable results.

That statement has guided the work we've done ever since. With the introduction of our comprehensive DEI Strategic Framework later in 2021 and the implementation of dedicated DEI plans for each of our divisions and regions, we have begun to better understand how our efforts are changing who we are and how we do our work.

We believe that we simply cannot achieve our desired impact without focusing on DEI internally and with our partners. This begins with taking an earnest look at our shortcomings as well as our accomplishments. This inaugural report—which incorporates insights from an October 2021 employee survey, a fall 2021 survey of our partners, demographic data on our workforce, and qualitative interviews with employees across our global offices—is meant as the first step toward holding ourselves accountable for achieving the measurable results we have committed to.

Key Insights from Our Surveys and Interviews

- 1. Employees are familiar with the foundation's values and our DEI Strategic Framework, but they don't think we consistently live up to our values.
- 2 Our workforce has become more diverse, but we need even more inclusive and equitable talent practices—from recruiting and hiring to management and performance assessment.
- 3. Employees say foundation leaders have expressed a strong commitment to DEI but often do not translate that into action.
- Employees and partners agree that our array of partners is not yet sufficiently representative of the communities we serve, and that we could do more to seek and act on partner input.
- Our partners largely perceive our employees' commitment to DEI, but a substantial proportion think we could more clearly communicate what this means for the work we do together. They also see several important opportunities for the foundation, such as our staff demonstrating greater cultural competency.



Mark Suzman, Chief Executive Officer

Letter from the CEO

I joined the Bill & Melinda Gates Foundation because I was inspired by the vision of a world where everyone has the opportunity to live a healthy, productive life. Sixteen years later, I'm proud of what we've achieved together: the lives we've helped save, the innovations we've supported, and the strong partnerships we've built in the communities where our work is focused.

But I also know we can do more. As CEO, I've committed to embedding diversity, equity, and inclusion in all our systems and practices. This isn't just the right thing to do—it's the only way we can achieve our mission.

Diverse perspectives help us see new ways to approach complex problems and build local capacity. Equitable policies confer respect, ensuring that employees and partners are treated fairly. And an inclusive environment fosters a welcoming culture that people inside and outside of the foundation want to be part of and work with. When we incorporate these fundamental principles into all our work, we unlock new opportunities for collaboration, becoming smarter and more strategic in the process.

In 2021, the foundation developed a comprehensive DEI strategic framework and a statement of our commitment that articulated our aspirations and our intention to hold ourselves accountable. While we set specific goals to achieve by 2023, we recognize that this work will never end—nor should it. There are no shortcuts or one-size-fits-all solutions. We'll need to tailor our approach for each program strategy, moving deliberately to incorporate policies and practices that work in local contexts. But we're used to tackling complicated, intersectional issues. If we can confront poverty, infectious disease, hunger, and inequality, we can do this, too.

As a learning organization dedicated to measurable impact, we make bold investments, assess what works, and continually evolve our strategy—always with an eye toward long-term, sustainable change.

That's the same approach we're taking to evaluate whether our expressed commitments to DEI are translating into action that matters to our employees and partners.

To honor our commitment to transparency, we're publicly sharing where we are in relation to our goals. While I'm encouraged by much of what this report reveals, I'm also impatient to address the important gaps it highlights. We need to translate our intentions into concrete, measurable action.

I'm grateful to my colleagues who shared their reflections and brought this report to life. We would not be here today without cindy ogasawara, who has championed this work for more than decade, and Leslie Mays, an inspiring partner on this journey. I'm also indebted to the employees—past and present—who challenged us to show up differently because they believed we could do better.

I share that belief, and I'm dedicated to making us the institution I know we can be: one that actively listens to diverse voices inside and outside the foundation, better reflects the countries and communities we serve, and inclusively models fairness and respect as we take on the big problems we all came here to solve.

Mark Suzman

How We Define DEI Terms

• Diversity -

A broad array of differences in identity, perspective, skill, and style.

• Equity -

Practices and policies that are just, transparent, and consistent.

• Inclusion -

An environment that actively welcomes, connects, and values all while harming none.

Laying the Groundwork for DEI at the Foundation

Since our founding, we have been dedicated to fairness: ensuring that every person has the opportunity to live a healthy, productive life. This commitment has shaped our program strategies, from our earliest efforts to ensure access to information through digital tools to our support of equitable delivery of vaccines across the globe to the creation of a Gender Equality Division in 2020 that works to improve opportunity for women and girls. But how have we embedded the values and practices of diversity, equity, and inclusion in our organizational culture, structures, and processes?

Foundation staff attend a "Why I Show Up" event to hear from colleagues

We began to explore this question in 2013, starting with the formation of identity-based employee resource groups (ERGs), which serve as communities for colleagues to connect on issues of identity and spark cultural change at the foundation. In 2019, recognizing that we could only achieve our impact goals by weaving DEI into everything we do, we made DEI a top foundation priority and hired Leslie Mays, who now sits on the Executive Leadership Team as our chief DEI officer.

We're trying to work toward an equitable world for others—but how can we do that if we don't know how to do it for ourselves? How do you expect to create wholesale, scalable change without DEI?

Tiffany Nguyen

Former Deputy Director, CEO Office & Leadership Engagement

The leadership team, with Leslie's guidance, began to develop and execute an ambitious DEI agenda, with the goal of positioning the foundation to have even greater impact. She created the DEI Center of Excellence, a small team that provides foundation-wide direction, thought leadership, and tools and measurement to help deliver on our commitments and achieve results.

Some early and immediate actions focused internally, such as adding a confidential, informal, third-party ombuds platform for workplace issues, complementing our existing formal reporting channels. Other actions focused externally, such as introducing our <u>DEI Commitment Statement</u> and surveying alumni and partners.

Making Space for Reflection and Conversation

In 2020, the murder of George Floyd and other devastating racially motivated killings brought even greater urgency to our DEI work. We introduced a series of conversation sessions, titled "Racism in America," that provided opportunities for U.S.-based employees to share and learn through storytelling and discussion with other members of their identity groups. Another series, "Making the Invisible Visible," gave employees the opportunity to reflect and connect after a shooter killed six Asian women at spas in Atlanta. One conversation session helped white men see outside of their own perspectives and enhance their inclusive leadership skills. Regional offices conducted similar sessions related to their respective locations and contexts, such as a session in our China office about anti-Asian hate.

In 2021, after recognizing that existing venues were insufficient for hearing input and perspectives in a consistent or timely way, the leadership team began hosting sessions to listen to employees' concerns on topics raised in surveys and discuss how to address the issues at hand.

I am a super-privileged white guy. And part of the ongoing challenge here is learning to look beyond what I know and who I am.

Charles Eliot

Deputy Director, Global Health



Foundation staff learn together during Annual Employee Week in Seattle, Washington

The DEI Strategic Framework introduced last year provides guidance on how we can achieve transformational outcomes through increased diversity of talent, equitable practices, and an inclusive culture.

The framework sets three-year goals—but recognizes that DEI is not an initiative with an endpoint. We're dedicated to taking action toward long-term, sustainable change and reporting on our progress each year.* To assess our progress, we conducted employee and partner surveys in late 2021. The employee survey had a 72% response rate**; our partner survey had a 51% response rate.

Our DEI framework aims for systemic change across four pillars: talent, leadership accountability, culture, and partnerships and voice. It is rooted in our foundation's values, informed by data and evidence, and enabled by policies, practices, and education.

'Ally for racial justice': These are powerful words to hold yourself accountable to. My inaction is acceptance of the norm and complicity in the continuation of white people's legacy of violence. The time is now to be an ally and an advocate.

Jordan Enos

Program Coordinator, Global Policy & Advocacy

^{*}The workforce data, survey data, visualizations, and analyses contained in this report pertain solely to our full-time and limited-term employees. Contingent workers are outside the scope of this report.

^{**}The set of respondents was representative of our employee population across gender, divisions, work teams, regions, tenure, and age groups. Managers were slightly overrepresented.



Foundation staff learn together during Annual Employee Week in Seattle, Washington

Fostering a diverse and inclusive community is a matter of basic fairness in line with our core values. It is also essential to achieving our mission. By harnessing a broader range of perspectives, backgrounds, and experiences, we will be more creative and innovate in ways that have transformational impact.

Thoko MoyoDirector, Global Communications

Talent

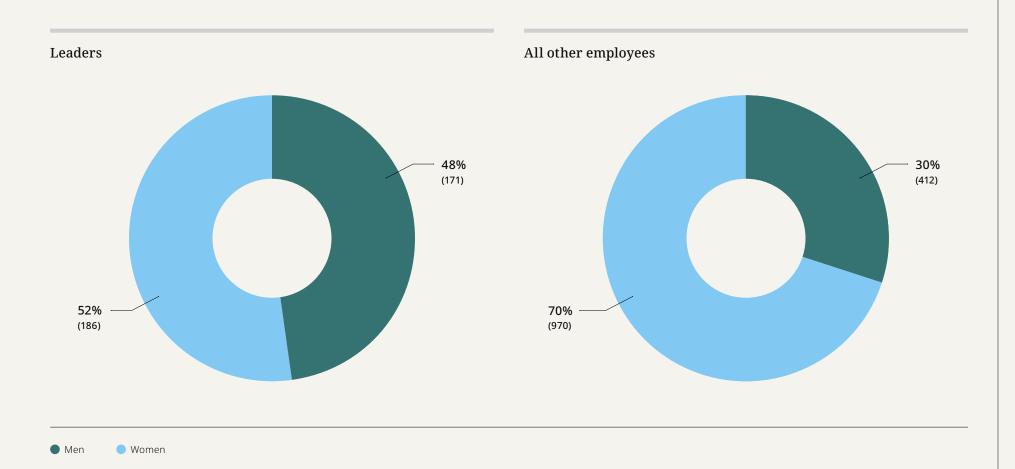
To have the greatest possible impact around the world, we must prioritize DEI internally—which starts with who we hire and whether we retain them.

Our goal is to empower and support all members of our globally diverse workforce so they can perform to their highest potential, and set them up for an experience at the foundation that is both personally fulfilling and professionally productive.

We're working toward a future where:

- All levels of our workforce are diverse in many ways and better reflect the demographics of the communities we aim to serve
- Compensation, benefits, and mobility policies and practices are equitable, transparent, and applied consistently and fairly
- Employee performance is measured, managed, and rewarded equitably, transparently, and consistently
- Opportunities for employees to learn and grow are more equitable, transparent, and consistent

Women make up more than two-thirds of foundation employees and just over half of leadership

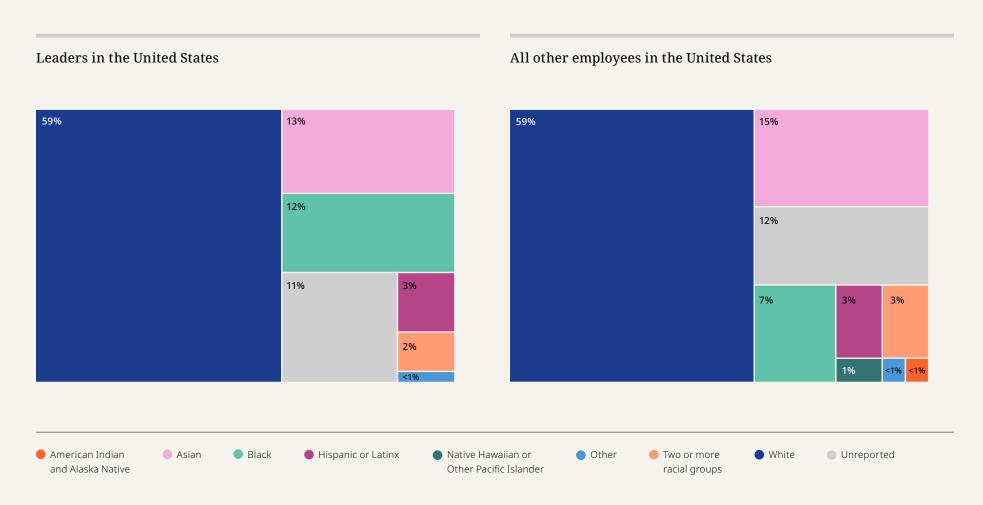


We have heard from employees that we need to move beyond the gender binary and Western-centric definitions of what constitutes diversity. In our data collection on gender, we historically limited our self-identification options to the gender binary, but we have expanded the options to include a broader array of gender identities, and we are beginning to see U.S. employees select those added gender identities.

This chart includes data from employees based both inside and outside the United States.

Leaders are defined as deputy directors, directors, and presidents/chief officers.

The race/ethnicity of foundation leaders closely reflects the demographics of foundation employees overall



We currently only report race and ethnicity data for the United States. Collection of other demographic characteristics varies by region and may be constrained by local laws. Recently, we have undertaken ethnographic research to explore how to meaningfully expand our data collection to be culturally relevant to our employees outside of the United States. While we understand that there is room for our data strategy related to workforce demographics to evolve, the data we have already collected is robust enough to provide a baseline picture of our workforce demographics in the United States and to allow us to make some important observations about our global reach.

Underrepresented groups: Employees based in the United States who indicate that they identify as Black or African- American, Hispanic or Latino/Latina/Latinx, Native Hawaiian or other Pacific Islander, American Indian or Alaska Native, Asian or Asian-American, multiracial, or "other."

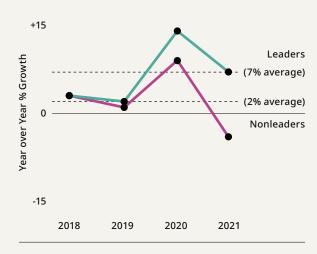
Diversifying Our Workforce

As our workforce grows, we have the opportunity to evolve into an organization that is more diverse and reflective of our partners and the communities we serve.

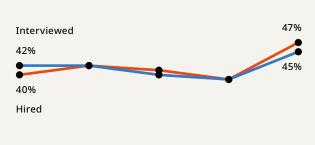
Gradually, we are becoming a more diverse organization. Each year we hire about 12% of our workforce, which will soon grow to 2,000 full-time employees. Over the past five years, the share of interviewed candidates who identify as members of an underrepresented racial or ethnic groups has increased from 40% to 45%.

During this same period, however, we became more likely to fill open roles with existing employees. In 2021, we filled 35% of open roles with an internal candidate, up from 18% in 2017. While we view these internal career growth opportunities positively, we also recognize that they affect our ability to swiftly increase the percentage of employees from underrepresented groups, contributing to a gain of only 1 to 2 percentage points each year.

The foundation has grown over the past five years, adding proportionately more leaders than nonleaders



The percentage of interviewed candidates, hired employees, foundation staff, and leaders from under-represented racial/ ethnic groups has increased over the past five years





2017	2018	2019	2020	2021

Over this time period, we have demographic information for 89% of candidates, which is roughly in line with the response rate among employees.

Underrepresented groups: employees based in the United States who indicate that they identify as Black or African American, Hispanic or Latino/Latina/Latinx, Native Hawaiian or other Pacific Islander, American Indian or Alaska Native, Asian or Asian American, multiracial, or "other."

Diversity of ideas is what will help us crack the issue of equity. We need a diverse set of external partners, but we also need a diverse workforce. Expanding our internal networks by bringing in people with technical expertise [is important, but so are] insights from the communities we serve.

Kedest Tesfagiorgis

Deputy Director, Global Health

Radhika Ragsdale, a senior manager in Human Resources, has been instrumental in rethinking talent acquisition to yield a more diverse workforce through consistent, fair, and transparent hiring practices and behaviors. "The cornerstone of our approach is that the hiring experience is designed to feel the same to all our candidates—whether they are internal or external, whichever demographic groups they belong to, if they are more seasoned or are brand-new in their career," she said.

The Talent team in Human Resources has focused on making meaningful change by discovering new sourcing partners, rethinking job descriptions, and standardizing the interview process. We are also focusing on how to broaden how we view diversity in our regional offices, source global talent, and improve the effectiveness and efficiency of our hiring and retention practices in our regional offices—in Africa in particular. We have also expanded our board of trustees to bring greater diversity to our governance.

Our Growing Global Workforce at a Glance

Employees working outside the U.S. are a relatively small but growing proportion of our workforce.

7

Global offices*

68

Nationalities represented among our employees

13%

of employees work outside the U.S. (231 people)**

80/0

Average annual growth rate in employees based outside the U.S. (2017–2021)

37%

Growth in employees based outside the U.S. (2017–2021)

13%

of employees based in the U.S. come from other countries (198 people) ***

^{*}Defined as offices outside the United States. The foundation has two U.S. offices, in Seattle and in Washington, D.C., for a total of nine.

^{**}Denominator includes all 1,739 employees.

^{***}Denominator includes all U.S.-based employees (1,508 people), even those who didn't report their nationality, so this may be an undercount.

More Equitable Practices and Processes

The foundation has clearly shown an ability to prioritize DEI significantly, and the teams are hiring more and more people who speak and think and act differently from the established norms of the foundation. But I don't think that the organization's culture is changing or adapting enough to allow those different views to express themselves and to support them.

Paulin Basinga

Director, Global Policy & Advocacy

We must cultivate a workplace where employees are treated, evaluated, and valued in an equitable way.

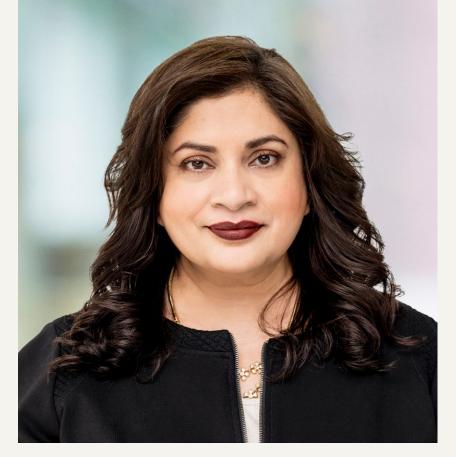
Just over a quarter of employee respondents said the foundation's system for performance assessment is fair, transparent, and consistent. We owe it to employees to do better, and we're taking steps to adjust or create structures and initiatives that advance equity.

We've launched a multiyear project that promotes transparency by building a shared understanding of how jobs are defined and organized, how appropriate pay ranges are determined by role, and what our total rewards philosophy and strategy will mean across the foundation and its affiliates

27%

Employee respondents who said the foundation's system for performance assessment was fair, transparent, and consistent

In addition, Human Resources is working on several projects to make our talent management processes more equitable and fair, including efforts to address equity and consistency in our performance management system and integrating DEI into succession planning for leadership roles. By integrating behavioral change with structural process enhancements, we can more powerfully and sustainably amplify and value diverse voices across the organization.



Sonia Vora, Interim Chief Human Resources Officer

DEI is the water in the river—not the boat floating on top.

Sonia Vora

Interim Chief Human Resources Officer

Sonia Vora on Structural Change

Sonia Vora, the foundation's interim chief human resources officer and a first-generation Indian American, said that until there is a fuller commitment to DEI across the foundation, it "will always feel like something extra—an extra that can be cut out when we're busy, or if leadership changes, or if the wind changes. It does not yet feel like DEI is being regarded as a nonnegotiable." Sonia believes that can and will change, as the foundation reevaluates priorities and rebuilds structures.

Progress, in Sonia's view, is made via genuine, effective structural change as well as new mindsets. In hiring, that starts with intentionally sourcing candidates who have the skills and experience to contribute to our mission while ensuring equal opportunity for underrepresented groups. Recruiting diverse candidate pools may also require teams to think differently about how they define job requirements.

Sonia is optimistic about what she's seeing—in employee resource groups, in listening sessions with executives, and elsewhere. "While there is still progress to be made, we are beginning to see signs of change with colleagues who are willing to challenge entrenched practices and behaviors," she said. "It cannot be the voice of one or a few; it has to be the voice of many or all. And I've seen that happening, and it's very powerful."



Foundation staff ask questions of Co-Chair Melinda French Gates at an employee meeting in Seattle, Washington

The past four years, I've been focused on developing a more inclusive leadership style. I was raised, professionally, in management consulting, where it's about speed, sounding confident as hell about what you're doing, and backing it up with quantitative data. The combination of those three things does not necessarily make an equity-oriented leader or a more inclusive team environment. It's still something I'm working on.

Patrick Methvin

Director, Postsecondary Success

Leadership Accountability

While every employee can play a part in making our foundation a better place to work, our leaders have a unique responsibility.

Progress requires that our leaders understand, can articulate, and accept responsibility for embedding DEI into our strategies, culture, and practices—from building diverse teams to making fair and transparent decisions to modeling inclusive behaviors and practices.

We're working toward a future where:

- Decisions on hiring or promoting leaders and managers consider DEI competencies and results as key criteria
- Leaders and managers commit to, authentically engage in, and actively apply DEI learning
- Leaders and managers follow clear expectations related to DEI and transparent decision-making
- Our <u>board of trustees</u>, led by our co-chairs, holds our CEO and other foundation executives accountable to DEI commitments

Following Through on Our DEI Commitments

For impact to be real externally, we must transform the internal. ...
We need to unravel any vested interest in maintaining the status quo.

Cheikh Oumar Seydi

Director, Africa Offices

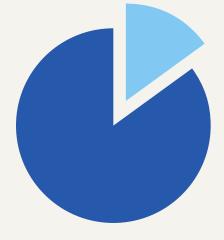
Encouragingly, 68% of employee respondents said their leaders had taken steps to embed DEI into their team's culture and practices, compared with 14% who said their leaders had not.* And 85% of team leaders agreed with the statement that "all people managers who report to me have a DEI goal(s) that is documented, meaningful, and challenging."** Together, these findings indicate a solid starting point.

Most leaders are signaling a commitment to DEI





Employee respondents who said their leaders had taken steps to embed DEI into their team's culture and practices



85%

Team leaders who agreed with the statement that "all people managers who report to me have a DEI goal(s) that is documented, meaningful, and challenging."

^{*}Survey questions that asked about leaders and leadership instructed respondents to think generally about the "collective set of deputy directors, directors, and presidents/ chiefs in their region and division that they work with and for." **This survey question was asked of every respondent responsible for managing at least one manager.

But employees expressed concern that their leaders were not always making decisions that reflected their DEI commitments.

17%

of employee respondents said gaps related to leader or manager accountability when asked what they thought was not being addressed in the foundation's DEI efforts 43%

of employee respondents said that decisions made by the foundation's leaders were aligned with the foundation's DEI commitments

For example, when asked what they thought was not being addressed in the foundation's DEI efforts, the top response was gaps related to leader or manager accountability. The word *disconnect* was mentioned often: inconsistency between what leaders said about DEI and the actions they took (or did not take) to fully embody it.

Fewer than half of employee respondents said that decisions made by the foundation's leaders were aligned with the foundation's DEI commitments. Some even questioned whether leaders considered DEI to be a genuine priority.

Leaders themselves acknowledged their responsibility to back up their commitments with action. It's something that Dara Sahebjami, director of Grants & Contracts Services, thinks about often. "This is the challenge that we face now: How can we stand by our [commitments] and do the things that our team said that we should do? How do we make time and make room for that?" If leaders aren't prioritizing DEI, he said, how can they expect others to? "We've come up with some good ways to do it. And that's really exciting."

Kira Wenzel, senior manager, Human Resources, has been pleased to see leaders increasingly owning DEI efforts. "Having been here for five years, the inspiring thing for me has been the evolution from where we were to where we are now," she said. "The biggest difference is where the ownership [of DEI strategy] sits. It has moved from [an entry-level] individual in HR trying to do grassroots work to an organization-wide initiative with [Executive Leadership Team] leadership.... We need systems change, and for that, you need to have key leadership at the table."

Everyone Plays a Role in Holding Leaders Accountable

Just as every employee can play a part in making the foundation a better place, everyone—from a new hire her first week on the job to the co-chairs of our board of trustees—can help hold leaders accountable for progress.

Employee resource groups have played an instrumental role, catalyzing internal campaigns that often inform the goals and commitments that our leaders make. ERGs periodically meet with senior leaders individually and collectively, at the invitation of leaders and at the ERGs' request, to discuss a range of challenges facing employees.

The Cultural Confluence group of expatriate employees led conversations about how policies and practices affect employees who cross borders to come work at the foundation's headquarters. The Working Parents & Caregivers group advocated for addressing the challenges many employees have faced in their home lives during the pandemic. Gates Asians in Philanthropy called out leadership for not meeting employees' needs regarding anti-Asian hate and violence, and Latinos in Philanthropy engaged in conversations about what they saw as insufficient Latina/Latino/Latinx representation at the foundation, especially at the leadership level. And the Black Philanthropic Partnership group co-led conversations about the foundation's response to racially motivated killings in the U.S. in 2020.

Our co-chairs also have an important role to play in leadership accountability. Mark Suzman has been instrumental in keeping Bill Gates and Melinda French Gates informed and involved—making DEI a more consistent theme of engagement between the CEO and the co-chairs than in past years.

Do we understand how our biases show up in our behavior and our work? Are we treating everyone fairly? Are we bringing a more diverse group of colleagues to the table—and making sure everyone is heard? We can only be the organization we need to be if we can answer 'yes' to these questions.

Melinda French Gates

Co-Chair

In regular meetings with them, Mark shares reports on the breadth of our DEI work, including progress, learning, and challenges. To further advance the co-chairs' understanding of how DEI is integrated into our program strategies and operations, Mark has invited executives and program leaders to share examples and experiences from their respective divisions and regions.

Bill and Melinda's interest and influence often centers on achieving greater impact through building a diverse, fair, and inclusive culture; diversifying and strengthening our partner and grantee base; and enjoining us to listen carefully to our partners and ensure that they are at the forefront of advocacy efforts.



Leslie Mays, Chief Diversity, Equity, and Inclusion Officer

Openness to doing things differently—even when it feels inconvenient or uncomfortable—is the only route to achieving our goals.

Leslie Mays

Chief Diversity, Equity, and Inclusion Officer

Leslie Mays on Leaders' Role in Driving Change

Ask anyone who works closely with our chief diversity, equity, and inclusion officer about her leadership style, and they'll mention her favorite refrain: "I didn't come to play." This perfectly encapsulates the candor and seriousness Leslie Mays brings to her systems change work at the foundation.

"The foundation takes on some of the world's most intractable problems that many others can't," Leslie said. "Fully realizing our commitment to diversity, equity, and inclusion for greater impact is one of those areas we are uniquely positioned to tackle. And like most of the foundation's efforts, this is hard—but immensely rewarding."

One reason Leslie is optimistic? She has been impressed by the engagement of the Executive Leadership Team and how they have modeled many of the behaviors we want to see across the foundation. They are investing time and energy in developing the knowledge and skills to lead DEI efforts with authenticity and in ways that are integral to the foundation's work around the globe.

Developing and approving the DEI Strategic Framework was an important early milestone. Leslie reminded leaders that the real work was just beginning as they assumed full ownership for bringing the framework to life in their teams. She also advised them that broadly publishing the DEI plans would result in greater accountability for progress along with more scrutiny.

That accountability goes beyond exhorting and inspiring individuals to learn and grow. It means changing our culture and systems to shape behaviors and performance. Leslie is focused on everything from how employee goals are set to how their performance is measured and reported.

"We cannot rely on the traditional approaches we've taken in the past to manage our people and our business," she said. "Inspiring a new openness to doing things differently—even when it feels inconvenient or uncomfortable—is the only route to achieving our goals."



Foundation staff participate in a Human-Centered Design learning session in Seattle, Washington

A strong culture is the fuel that drives impact. It's the glue that helps us work together as one global foundation. Our culture enables us to achieve the audacious goals we've set for ourselves.

Adrianne Van Strander

Deputy Director, Human Resources

Culture

We strive every day to build and sustain a highintegrity culture. Our goal is to create an inclusive, equitable, welcoming workplace where a variety of backgrounds, voices, roles, and contributions are recognized and valued.

To achieve this, we must consider every perspective, appreciate every contribution, and respect all our employees—especially those who have historically been undervalued or underrepresented.

We're working toward a future where:

- All employees demonstrate and reinforce principles and behaviors that support DEI
- We identify, acknowledge, and address microaggressions and other pervasive harmful behaviors when they occur
- A more equitable balance of power sparks greater input, participation, and transparency among employees at all levels, across all our regional offices, and with partners and community members
- DEI goals and practices are consistently and universally applied in the daily work of all our teams

Living Our Values

Values are not nice words that we publicize on our website. Values are reflected in who we reward and what we tolerate.

Anonymous

Deputy Director

Nine out of 10 employee respondents were familiar with the values the foundation aspires to—optimism, collaboration, rigor, innovation, and inclusion—and the specific behaviors associated with each of them. And 72% said these values-based behaviors were regularly practiced on their team. But fewer than half said that values-based behaviors were regularly practiced at the foundation as a whole, or that the foundation was a place where diverse perspectives were valued.

We aim to embed the DEI framework more deeply into all our activities and be able to confidently say that we're living our values at every level of the organization.

Employees are familiar with our values and see them practiced on their teams

91%

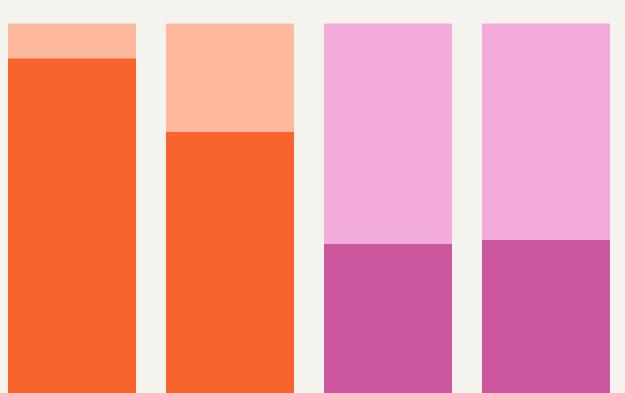
of respondents were familiar with the values the foundation aspires to and the specific behaviors associated with each of them 72%

of respondents said these values-based behaviors were regularly practiced on their team But across the foundation more broadly, behaviors are not reflecting our values

43%

of respondents said that values-based behaviors were regularly practiced at the foundation as a whole 44%

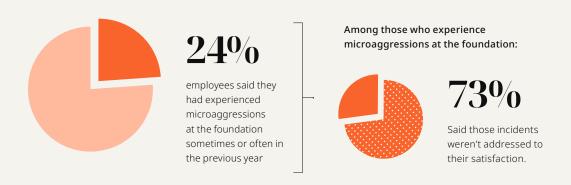
of respondents said that the foundation was a place where diverse perspectives were valued



Unpacking Microaggressions

For the first time at the foundation, we've collected and analyzed data on microaggressions, which can be a revealing indicator of a workplace's culture—not only in how often these kinds of slights and insults occur and whom they target, but in how the organization addresses, or fails to address, the incidents.

Nearly a quarter of employees said they had experienced microaggressions sometimes or often in the previous year



Nearly one in four employees said they had experienced microaggressions at the foundation sometimes or often in the previous year. While this may be roughly on par with other workplaces—according to a 2019 study by SurveyMonkey and Fortune, 26% of Americans reported having experienced a microaggression at work—it is still far too high. And many employees who indicated that they had experienced microaggressions at the foundation said those incidents weren't addressed to their satisfaction.

Defining Microaggressions

In the employee survey, we used Columbia University Professor <u>Derald Wing Sue's</u> <u>definition</u> of microaggressions: "everyday verbal, nonverbal, and environmental slights, snubs, or insults, whether intentional or unintentional, which communicate hostile, derogatory, or negative messages to target persons based solely upon their marginalized group membership." The *micro* in microaggressions means interpersonal; it does not necessarily mean the offenses are small or insignificant.

In its questions about microaggressions, our employee survey let respondents subjectively determine whether they identified as a member of a "marginalized group." Their self-designation as a member of a marginalized group was thus not necessarily tied to a legally protected class (based on, for example, race, gender, ethnicity, or age). As defined above, microaggressions do not equate to harassment or discrimination under the law, so there may be a variety of ways to address them. Foundation policy calls for employees to immediately report misconduct that rises to the level of discrimination or harassment. Respondents who said they had observed microaggressions may not have been aware of formal or informal processes and resolutions involving other employees.

Clearly, we have a lot to learn about microaggressions, from how to avoid committing them and how to speak up when we see them to how to make things right in their aftermath.

Because microaggressions often arise as a symptom of deeper cultural and systemic issues, we've made them a focus of our DEI work. To maintain this focus, our DEI Center of Excellence will continue to provide tools, learning and training resources, and forums featuring authentic dialogue for continued reflection, learning, and development.

Through exit interviews* and a 2020 alumni survey,** we have gained some additional insights about our culture from former foundation employees:

- More than three-quarters of alumni who left the foundation in 2021 said they could be their entire, authentic selves at the foundation. In a positive sign, those who identified as members of underrepresented racial and ethnic groups were more likely to respond positively than those who identified as white.
- More concerningly, slightly more than half of alumni respondents believed that their colleagues did not seek out or value a variety of ideas and working styles.

All too often, I find myself replaying situations where I experience uncomfortable comments, wishing I had said something in the moment, and feeling remorse for not listening to my gut and honoring my value system by speaking up. ... I commit to denying the culture of perfectionism and to engaging in the sometimes bumpy work of using my own voice.

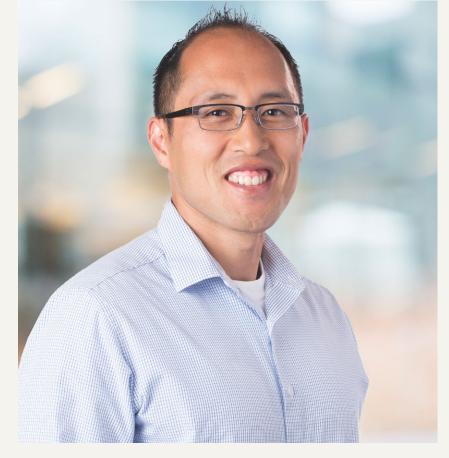
Kashley Toledo

Project Manager, Facilities

To fully live our value of inclusivity, we must ensure that employees— especially those from historically marginalized groups—feel that they are welcome to be their authentic selves in the workplace and that their perspectives are valued. If we fail to do this, we risk driving out employees and losing the opportunity to make the foundation a desirable place to work. Conversely, if our people feel respected, fulfilled, and valued, we can position them, and the foundation at large, to make a stronger, more positive impact.

^{*}Exit interviews may be subject to nonresponse bias that can skew findings; they should be considered in context, accounting for potential motives such as the desire to maintain a positive relationship with the foundation and avoid "burning bridges."

^{**}Our alumni survey was conducted in 2020, with 328 foundation alumni respondents.



Seng Thor, Senior Manager, Finance and Resource Planning

At the end of the day, we're all human. We need to look out for one another.

Seng Thor

Senior Manager, Finance and Resource Planning

Seng Thor on Showing Up for One Another

Seng Thor, a manager in Finance and Accounting, came to realize a couple of years ago that simply getting his work done wasn't enough—he needed to show up for his colleagues in deeper ways.

"To me, it's been about learning how to shed light on challenging topics," he said. "To understand that there are people out there that are hurting. To be more empathetic and to really think about our greatest resource at the foundation, which isn't dollars. It's the people that work here."

Seng has put this philosophy into practice as co-lead of the Gates Asians in Philanthropy ERG. "We come to find community and find belonging," he said. "To be able to find a place, particularly at work, where we can support one another."

The foundation's response to the Atlanta spa shootings, Seng said, was "a bit deflating for Asian colleagues." Women in the ERG wrote to Mark Suzman, saying that the foundation's lack of response made them feel unseen and unheard. "It really opened up a dialogue, and Mark owned up to that shortcoming," Seng said. "He was willing to listen and act upon the concerns that were raised."

This type of thoughtful engagement is inspiring to Seng. Still, he said, "This is a multiyear journey, and we're not all at the same place. Because we've all come with different life experiences."

Seng views his role as making sure people know that they're valued. "People need to see that they're not just a figure or a number, but that they are seen—regardless of their background, their race, or their lived experience—and that they matter. That they are important, not only to the work that we do, but as human beings."



A frontline health worker discusses daily activities with foundation staff at the Udale Daba Kebele health post in Afar region of Ethiopia

To make the biggest impact against the world's toughest challenges, we need to draw from expertise within the foundation and our partners, as well as from the communities we serve, ensuring we are continually listening to people with different backgrounds and perspectives. We have made progress on this front in recent years, but there is a lot more we can do.

Bill Gates

Co-Chair

Partnerships & Voice

Living our DEI values means constantly assessing our practices, programs, and processes to ensure that we respect, include, engage, and empower those touched by our work.

We know that this is an area where we have significant room for improvement. As Mark put it in his 2022 Annual Letter:

[In the past,] we tended to focus disproportionately on a small set of partners primarily located in the United States and Western Europe and saw little need to engage directly with governments or connect our work to wider agendas like the [UN Millennium Development Goals].

We often let our enthusiasm about a potential breakthrough innovation blind us to the reality of the complex set of relationships needed to achieve and sustain implementation and impact, including the vital role of government and community engagement at every level.

Just as we have learned that taking a <u>gender-intentional approach</u> to grantmaking can lead to greater impact, our ability to make change depends on working with grantees, suppliers, and other partners who are representative of the communities and populations we engage with.

We are therefore looking critically at the various dimensions of our programmatic work: who we partner with, how we choose them, the extent to which we solicit and act on their input, and how we engage them in decision-making. By seeking out a wider variety of perspectives, more opportunities for meaningful collaboration, and new ways to empower our partners, we will set ourselves up to be more effective.

We're working toward a future where:

- We reduce systemic and cultural barriers that prevent us from making investments in organizations based in, and managed by, people who are representative of the populations we aim to serve
- We are able to find, and be found by, partners who are in the best position to deliver lasting impact in their communities
- Our funding better reflects the populations and communities we aim to serve, and our approaches are well-tailored to each strategy's unique needs and context
- We track the role diverse partners play in our strategies and operations
- We listen to and learn from partners and other organizations about how to include their voices in our strategies and grantmaking for greater impact
- When engaging with partners, our employees and leaders speak with openness, candor, and curiosity about our DEI goals, learning, and commitments
- We give platforms to our partners and their community members through learning sessions, advocacy engagements, media, and social media

Diversity in Our Grants and Contracts

Organizations embedded in their country's context understand its challenges and opportunities and have greater ambitions for their fellow citizens. These partners were here before us and will remain after us. Our role should be to cultivate their leadership as [others have cultivated] ours.

Asyia Kazmi

Senior Program Officer, Global Growth & Opportunity

We seek a mix of partners not based on diversity alone, but rather on what makes sense for each program team to achieve greater and more sustainable impact.

Different strategies might focus on different aspects of partner diversification: geographic location, organizational size, leadership composition, or capacity to implement equity-focused approaches.

30%

of employee respondents said that their team's portfolio of philanthropic investments was "in appropriate balance" with regard to diversity 38%

of those directly making and managing grants or contracts said the balance was right in the diversity of project leaders they engaged with

Whatever the area, we have significant room to improve. Only 30% of employee respondents said that their team's portfolio of philanthropic investments was "in appropriate balance" with regard to diversity—that is to say, that the balance felt aligned with the team's goals. Only 38% of those directly making and managing grants or contracts said the balance was right in the diversity of project leaders they engaged with. Half of these respondents said that partner teams and locations were appropriately diverse. Clearly, we can do more to ensure that our partners, both now and in the future, bring diverse teams and leaders to the table—people who better reflect the communities where the work takes place.

Why Focus on Partner Diversification?

According to a recent internal analysis of grantmaking in our five global programs,* nearly 66% of our active global partners (representing 82% of our 2021 payout) are located in high-income countries.**

Some of the reasons behind this are sensible:

- It may relate to the location of our partner organizations' headquarters and may not reflect where work is conducted. As a large foundation, we often make grants to large global intermediary organizations, which then "subgrant" the bulk of the funds to other partners, many of whom are located closer to the communities we aim to serve.
- Some of the largest, most critical organizations we have partnered with to achieve our ambitious goals for global health and development are located in Europe and the U.S.—such as Gavi, the Vaccine Alliance; the Global Fund to Fight AIDS, Tuberculosis, and Malaria; UNICEF; USAID; and the World Health Organization.

We prioritize impact, which means we focus on the organization and its capabilities more than its location. But we believe our impact could be even greater with a more diverse array of partners. And when we do partner with large intermediary organizations based in high-income countries, we can do more to encourage and support them to help build the capacity of their subgrantees in low-income countries.

Our Grand Challenges family of initiatives is a good example of an effort that has evolved. Initially, Grand Challenges made a series of very large grants almost exclusively to institutions in high-income countries, but today most Grand Challenges funding goes to researchers in low-and middle- income countries.

^{*}Global Health, Global Development, Global Growth & Opportunity, Global Policy & Advocacy, and Gender Equality. Analysis does not include our United States Program.

^{**}Analysis includes only direct charitable grant support.

Barriers to Working with a Wider Range of Partners

Partners coming from the community or with different lived experiences often face barriers in executing foundation grants in the way we expect. We need to build in more time, financial system support, and organizational capacity-strengthening dollars to support these organizations to succeed and to grow at a sustainable pace.

Anonymous

Program Officer

Our grantmakers and contract owners struggle to diversify their array of partners due to a range of internal and external barriers.

In our employee survey administered in October 2021, respondents shared a belief that many potential partners, especially smaller ones, have limited capacity to meet the robust legal, administrative, financial, and measurement criteria that are characteristic of our grantmaking requirements.

Ben Pierson, deputy director, Enterprise Data, is one of many individuals at the foundation working to revamp internal processes and build new resources to make it easier to discover and engage potential partners. "There's a cost in diversifying partners—it takes time to find new partners, for both parties to learn about each other, and to build up trust and have confidence in each other," Ben said. "When timelines start extending, it's often just easier to go with your current partners."

Partner Perceptions of Our DEI Efforts

Asking our partners how they experience their relationships with us—both in general and with their program officers in particular—is a critical source of feedback and learning for us. In 2021, we engaged the <u>Center for Effective Philanthropy</u> (CEP) to produce a Grantee Perception Report based on an anonymous survey of our partners (with DEI just one of many important topics covered). We learned that, on the whole, our partners have noted our commitment to DEI and they see that commitment reflected in their relationships with our employees.

Three out of four partner respondents said that the foundation demonstrated an explicit commitment to DEI. Many partners (84%) also reported that the foundation employees they interacted with embodied a strong commitment to DEI.

Still, we have an opportunity to better understand our partners' context and lived experiences: Only 69% of partners responded that we have clearly communicated what DEI means for the work we do, and about the same proportion (70%) responded that we show appropriate cultural competency.* It is notable that, while positive, our scores on these questions were lower than the average for a set of similar foundations whose partners CEP has also surveyed.

Our partners recognize our commitment to DEI



3 out of 4

partner respondents said that the foundation demonstrated an explicit commitment to DEI.



of partners reported that the foundation employees they interact with embody a strong commitment to DEI.



But we can better understand and communicate with them



69%

of partners responded that we have clearly communicated what DEI means for the work we do



70%

of partners responded that we show appropriate cultural competency

^{*}The partner survey defined *cultural competency* as an individual's ability to examine and shift their own attitude and beliefs while acquiring the values, knowledge, and skills that would allow appropriately adaptive behaviors in cross-cultural situations.

Acting on Input from Partners

How can we bring in different people who have different perspectives, different upbringings, different educations? Really listen to them instead of brushing them off and just sticking with the 'experts'?

Gabriela Paz

Senior Program Assistant, Global Health

Asking partners for input is merely one element of partner engagement; acting on that input is essential.

Our partner survey yielded a mixed assessment of how well we use input and ideas they provide. There is some evidence that our partners feel heard by our employees and view our management practices positively: 82% of our partners said we appropriately used their organization's expertise and experience, and only 7% said we did not. More than three-quarters of them noted that we supported changes to original plans based on partner input.

However, when it comes to involving partners in our grantmaking strategies, we have room for improvement. CEP's analysis showed that we score lower than our peer foundations on how well our partners they think that we, as an institution, understand the complex social, cultural, and socioeconomic context in which they work. A key theme that CEP identified was that our partners want us to ensure that our strategies are better informed by their insights.

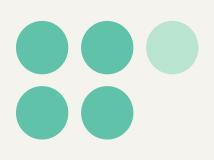
Our employee survey results bear out what our partners have told us: Only about half of deputy directors of strategy, planning, and management—the employees who manage their program teams' strategies and the allocation of human and financial resources—said their team sought a moderate or substantial amount of input from partners in their most recent strategy refresh. Just 62% of them said they incorporated partner feedback into their strategy. Just over half said their team had discussed partner input in the past year, and only 36% said they had created an action plan in response to partner feedback.

Partners think we hear them in the context of individual projects



82%

of our partners said we appropriately used their organization's expertise and experience



4 out of 5

partners noted that we supported changes to original plans based on their input

But we have ample opportunity to better seek and incorporate their feedback into our strategies



62%

of DDSPMs said they incorporated partner feedback into their strategy



53%

of DDSPMs said their team had discussed partner input in the previous year.



But only

36%

said they had created an action plan in response to partner feedback.

Deputy directors of strategy, planning, and management (DDSPMs) are the employees who manage their program team's strategies and allocation of human and financial resources.

Projects That Focus on Building Stronger, More Diverse Partnerships

Teams across the foundation are excited to engage with a broader range of partners, and we're actively working to provide guidance and resources, offer best practices, and simplify the processes required to make that happen.



Research assistants from Aga Khan University brief foundation staff in Sindh Province, Pakistan

Here are a few of the ways we're approaching this effort:

Partner Data Project

In 2020, we realized we needed better data about our partners. Where are they located? Where does the work actually happen, and who does that work? Who benefits, and where do they live? If the Partner Data Project can help us better tap into our existing data and fill some of the gaps, we can improve our ability not only to understand who we work with today but also find future partners using a wider lens and ultimately provide them with sufficient support.

Partner Insights

In partnership with CEP, we launched our partner survey in late 2021. More than 2,500 partners shared feedback on our approach to working with them, our communications and interactions, our commitment to DEI, and the efficiency of our reporting and evaluation processes. We now have a wealth of information we can use to measure progress over time.

Improving Mechanisms for Including Partner Input in Strategic Planning

Our 41 program strategies articulate what we do and why based on an impact goal, a theory of change, and an analysis of our comparative advantage. When we develop, review, and refresh these strategies, we add new tools and resources to help teams assess the strength and diversity of their partner ecosystems relative to their strategic goals. Because partners increase our impact by providing unique expertise and insight into on-theground realities of the challenges we are addressing together, we are also working to establish better mechanisms for partners to share their feedback and ideas so we can understand what is working and where we can improve our strategies.

Partner Organizational Effectiveness Resource Center

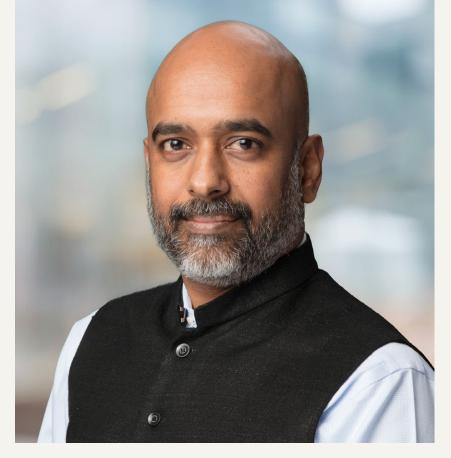
Launching in 2022, the Partner Organizational Effectiveness Resource Center will be a repository of tools, resources, and referrals that program teams can use to support current and potential partners. These resources will focus on areas such as leadership and governance, business planning, human resource development, and financial management.

Demonstration Teams

The Demonstration Teams project, a collaboration between the Foundation Strategy Office and program teams, aims to identify and codify examples of how teams have increased the diversity of their partnerships. Understanding how diversification leads to impact will help us better target our resources. In the first phase of the project, we released guidance on steps that teams can take to build more diverse partnerships. In phase 2, we are developing case studies and additional guidance that outlines challenges and effective approaches.

Gender Integration

Since 2016, we have been building the capacity of our program teams to apply an intersectional gender lens to their strategies and investments. On a limited basis, partners can also receive technical assistance to better integrate gender equality efforts into their core work.



Hari Menon, Director, India Country Office

We need patience if we are to invest in strengthening the capacity of organizations and partners. ... Change takes time.

Hari Menon

Director, India Country Office

Hari Menon on Partnerships, Power, and Patience

Hari Menon, the director of the foundation's India Country Office and a member of the foundation's DEI Leadership Council, is passionate about examining the power dynamic between the foundation and our partners.

"Given who we are in philanthropy, we often have a lot of perceived power, whether we like it or not," he said. "Sometimes we don't fully recognize its implications, and how we wield that power can have major consequences."

In India, he said, the foundation's jargon and processes can create an unnecessary barrier for local organizations. "So we often end up defaulting to [nonlocal] partners because they're easier for us to transact with, and not always because they're the best partners for the work that we're trying to do," Hari said. "To me, that has very significant implications for the impact that we can have."

This tendency also has implications for the sustainability of our impact. "We need to leave behind stronger institutions and greater capacity for [partners] to continue to solve the problems that we've been engaged in," Hari said. "It wouldn't help if we came in for a few years, said we had impact, and moved on—because then that takes away all of the expertise our partners and we bring when the grants end."

Strengthening the capacity of local institutions takes an understanding of local contexts and patience, of course: "It will call for an investment of time and resources, and a shift away from solely focusing on results here and now."

Conclusion

Our DEI journey is well underway, and yet in some ways, it's just beginning.

"How can we build a bridge from where we are to where we can go in a way that empowers everyone?" asked Ruixi Hao, senior program officer, Global Policy & Advocacy. "I can feel that we are at a tipping point. We are at a critical moment. We have all the plans. Now it's not about the individual leads, but the entire effort of engaging everyone in our offices so we keep the momentum, bring everyone along together, and keep the drum beating."

In interviews with employees across the foundation, this was a refrain: Keep the drum beating.

Many employees—from the quietly determined to the outspoken advocates—care deeply about making the foundation more diverse, equitable, and inclusive. Our leaders, too, have demonstrated commitment by listening to employees, acknowledging missteps, and rolling out an ambitious plan that concretely illustrates how we will approach this work.

People come to the Gates Foundation because they are passionate about working toward a world where every person has the opportunity to live a healthy, productive life. The work of the last year has helped us understand what has to change for us to make that vision a reality. As impatient optimists, we are ready to accelerate our efforts.

Where We Go from Here

A Closing Note from Leslie Mays, Chief Diversity, Equity, and Inclusion Officer

When I reflect on the insights covered in this report, I'm encouraged that the people who make up the Gates Foundation are largely united about who we want to be. A year after introducing our ambitious DEI framework, I've observed increasing awareness of our DEI goals, a renewed commitment to action, and a deepened understanding of the work at hand.

I've also witnessed honest introspection about where we need to do better. It's challenging for an organization when employees feel that behaviors and decisions don't match our espoused values and commitments. It's particularly hard, as one of our colleagues noted, in a workplace "full of perfectionists" who may find it hard to look too closely at our failures.

This report is one step toward a new level of transparency from us.

As employees of a large, global entity, we won't all see things through the same lens. I recently returned from my first (pandemic-delayed) trip to the foundation's India office, where I had the opportunity to engage with foundation employees, partners, and grantees, as well as individuals whom our work directly supports. It was an incredibly rich, immersive experience, and it also reinforced for me that context and culture matter. Our DEI definitions and approaches will need to vary by country. Our work will necessarily look and feel different in Abuja and Addis Ababa, Berlin and Beijing, Delhi and Johannesburg. This is on top of the fundamental improvements that must occur in Seattle, where most of our employees are located and where our practices and systems have been established.

At the same time, changing our practices and systems, while important, won't address all our DEI issues if we continue making decisions and doing things the way we always have. That's why I believe that creating greater impact through our work on DEI is ultimately about shifting mindsets.

We are an organization full of people committed to making the world—and our foundation—a better place. And we have real plans to turn our aspirations into reality. Our DEI Center of Excellence will continue to work closely with leaders and colleagues across the foundation to set in motion the changes required to achieve our desired outcomes. The center will launch a new learning and development curriculum this summer to deepen DEI skills and knowledge across the foundation. In close collaboration with the foundation's business operations team, strategy office, regional offices, and divisions, the foundation will continue advancing our work on partner diversification and strengthening.

We will also continue to provide safe spaces for employee sharing and reflection, and we'll introduce improved measurement approaches that feature broader employee demographics, personal scorecards for executives, and ongoing reporting on progress and challenges.

While we now have dedicated DEI teams, resources, and plans in place, DEI is everyone's job.

If you are an employee reading this report, I'm asking you to hold yourself accountable for making the foundation a place where all who work with us feel included, supported, valued, and respected—a place where we actually live out our mission. I ask you to point out to each other and your leaders when you see this happening, and to let us know when we are falling short.

If you are a current or potential partner or grantee, we invite you to share your ideas with us, let us know when you see positive change occurring, and, likewise, when we are falling short of our commitments. We want you to hold us accountable.

I joined the Gates Foundation because I believe in its mission and its values. It's an organization full of people dedicated to doing all they can to make the world a healthier, more equitable place. I'm convinced we have what it takes—the flexibility, the determination, and the empathy—to live up to our commitments and close the gap between intent and action.

Leslie Mays

Law A. My

Acknowledgments and Thanks

This report would not have been possible without the collective efforts of nearly 100 people. It was written and designed by Purpose, a social impact agency, in collaboration with foundation employees. This would not have been possible without our research partners: Our employee survey was analyzed and reported by EY, and the survey of our partners was conducted by the Center for Effective Philanthropy.

We would like to thank the current and former members of the foundation's DEI Leadership Council and the DEI & Gender Leads for their wise counsel and dedication. We would also like to thank the leaders and advisors of our employee resource groups: Africa ERG, Allies for Racial Justice, Black Philanthropic Partnership, Cultural Confluence, D.C. Inclusion Council, Gates Asians in Philanthropy, Indigenous Communities Engagement Group, Latinos in Philanthropy, Out for Good & Allies, Women Connect & Allies, and Working Parents & Caregivers.

The foundation's Human Resources department, particularly the Talent & Organizational Development and People Analytics teams; the Foundation Strategy Office, and the Finance and Resource Planning Division played major roles in generating the content for this report.

We also owe a debt to all the employees interviewed for the report, who gave generously of their time and insights. Not everyone was quoted, but all shared insights worthy of being highlighted.

Members of the Executive Office, Legal, and Communications teams helped us tremendously with this report and related engagement events. Nothing at the foundation—this report included—is possible without the chiefs of staff.

The report would also not have been possible without our community of assistants who managed critical logistics and ensured that key meetings took place.

Another big thank-you goes to the members of the DEI Center of Excellence, who either lead, coordinate, or participate in a great deal of the work described in the report.

We want to close by acknowledging that our headquarters in Seattle, Washington, sits on the traditional, unceded territories of the Duwamish and Coast Salish people. We acknowledge and honor them with gratitude and recognize that this land continues to be their home.

Thank you.