



DIVERSITY, EQUITY AND INCLUSION

DRAPER | September 2022



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“Diversity drives innovation – when we limit who can contribute, we in turn limit what problems we can solve.”

– Telle Whitney

INTRODUCTION

Draper has a storied history going back to the 1930s and, in 2022, a workforce far more representative of the nation we serve and of its talent base—with considerable work yet to do. We are at Draper to solve the hardest technology problems in the national interest and to develop the systems and people to meet that goal. I am here to help do that.

We must make Draper a place that draws to it extraordinarily talented people from all parts of this nation with every type of background and all identities; individuals with a deep commitment to our mission and ability to do the work required. We must find that talent wherever it is, we must create an environment where that talent can flourish, and we must move quickly. The following pages show you how we’ve performed so far against aggressive goals.

I am not the first to say that work in diversity, equity and inclusion is never complete, but I can tell you how I’ll know that we’ve made substantial progress—when I hear someone say to one of our people, “Wow! You’re at Draper!”

Come join me.



Aisha A. Losche

CHIEF DIVERSITY OFFICER



A NOTE FROM JERRY

Draper has made a commitment to our nation—to help bear the heavy weight of keeping our country and our allies safe. We at Draper will be able to do that only by ensuring we are a welcoming place for top talent in all its forms. Those who join us will discover unique intellectual challenges and some of the most gifted colleagues of their lives.

We have to get diversity, equity and inclusion right. The stakes for Draper and this country are high. Today we find ourselves facing sophisticated, aggressive foreign adversaries in

- Nuclear arms
- Hypersonic arms
- Space
- Defense electronics
- Emerging bioweapons

We need raw intellectual firepower, systems, processes, technologies, leadership, and inspiration to win these races and deter the enemies of democracy. We cannot afford to be the type of organization that The Economist magazine described as an “echo chamber of the like-minded.” We need people who don’t have typical credentials, whose life experiences differ from ours, and whose gifts take many shapes. And we must make deliberate, thoughtful efforts to find these individuals wherever they may be among our citizenry.

We are privileged to have Aisha Losche at the helm as Chief Diversity Officer. I look forward to her leadership and to taking on my share of the responsibility we all have to support this work. There is much to do.

A handwritten signature in black ink, appearing to read 'J. Wohletz', written in a cursive style.

Jerry M. Wohletz

PRESIDENT AND CEO



*Draper will be an environment
of mutual support and respect.*

LOOKING BACK AND LOOKING FORWARD

Enabled by a five-year strategy for the company that prioritizes people, execution of the strategy, improving business processes, and promoting customer intimacy, Draper is now positioned to better execute its mission.

This report is incomplete in the sense that we have not collected data for our LGBTQIA+ population. We acknowledge this is huge gap and will be updated within the next 12 months. As we explore new tools, we will ensure it will allow us to measure progress for all of our marginalized groups within the Laboratory. In this report we will share updates on our metrics and actions outlined in 2021. This work is continuous and must evolve as we do.

DATA INFORM OUR PROCESS

At Draper, as an engineering innovation company, we use data to inform everything we do, from the way we innovate unique products to support national security, space exploration and the commercial sector, to the way we look at diversity, equity and inclusion efforts.

To give us a clear picture, we have completed a comprehensive analysis to establish an accurate baseline, by showing Draper's availability pool for employees with diverse backgrounds, in terms of our specific job categories.

To facilitate this effort, Draper's HR team in conjunction with Draper's Chief Diversity Officer engaged with other similar industries to find the best of breed in developing a benchmark. We are continuing to use Gartner Talent Neuron¹ as the database gold standard for both looking at current talent and for targeted future recruiting. The Talent Neuron data have provided Draper an understanding of the landscape in which we operate.

Using this data, HR analysts at Draper carefully mapped each job code at Draper into the appropriate Standard Occupation Classification (SOC) code—a federal statistical standard that classifies workers into occupational categories. Analysts then were able to compare the Draper workforce to the availability pool across the U.S., as indicated by the Talent Neuron data (also categorized by SOC code). For the purposes of this report, we used regional data from the largest geographical places Draper has a presence which would be New England (Maine, Mass., Conn., N.H. and R.I.), Southeast (Tex., Fla. and Ala.) and Reston, Va. (Washington D.C.) area.

1. Gartner Talent Neuron runs proprietary algorithms on public profile data, which they harvest from professional networking sites and resumé banks like Google, Indeed, Xing, GitHub, and Stack Overflow to estimate the diversity breakdown for a given role. They validate these estimates with data from governments, such as the United States Census Bureau, the U.S. Department of Labor, Equal Employment Opportunity Commission as well as company reports and surveys.

Availability versus Headcount

Chart 1 is the overall makeup from a gender and racial representation² at Draper. While for FY22 we are on the mark for female representation from a US and regional perspective, we are woefully below when it comes to representation from racial historically excluded groups (HEGs)³. Our recruitment and retention strategies are being updated and redesigned to ensure equity is part of each step of the process.

Chart 2 shows that we've grown the diversity across our leadership ranks in both areas of concern. As we implement our new performance management processes and tools, we should enable more growth in these areas by giving clear guidelines and rubrics for all employees to understand how to get promoted.

CHART 1. ALL DRAPER EMPLOYEES

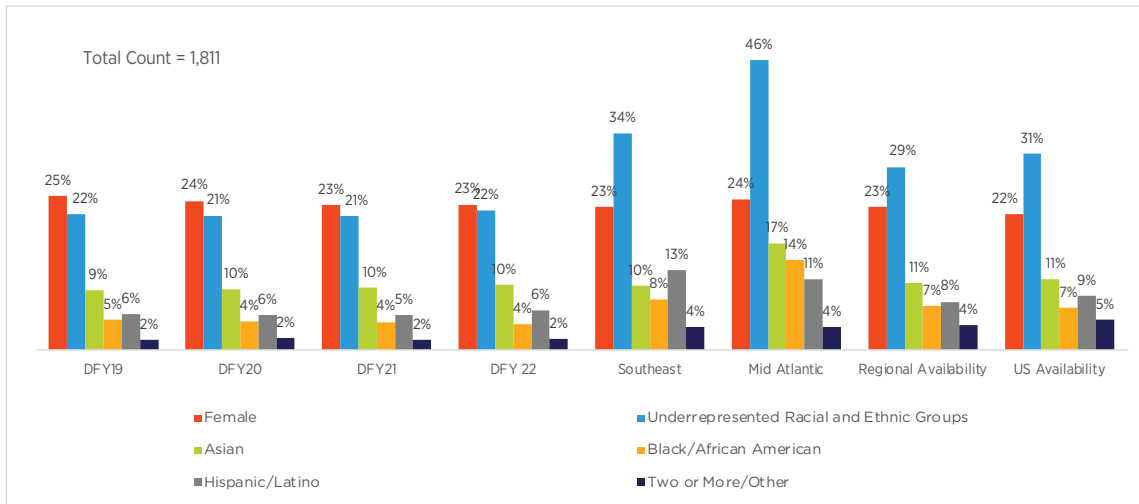
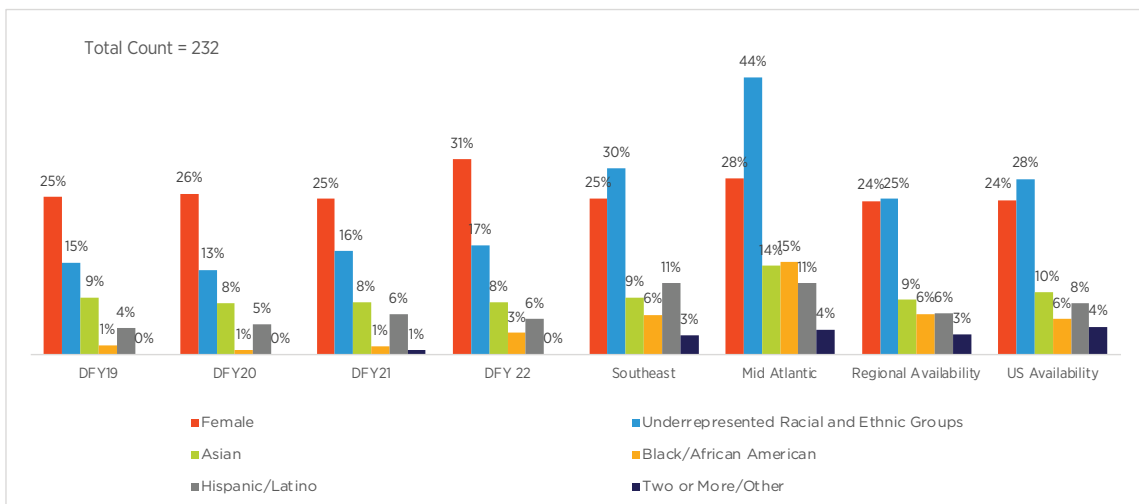


CHART 2. ALL DRAPER MANAGERS



2. At Draper this includes Asian, Black or African American, Hispanic or Latino, Native American or Alaskan Native, Native Hawaiian or Other Pacific Islander, and those who identify as two or more races and/or ethnic groups.

3. Two or More/Other specifically includes Native American or Alaskan Native, Native Hawaiian or Other Pacific Islander, and those who identify as two or more races and/or ethnic groups.

Charts 3 and 4 illustrate our largest population at Draper, our Engineering organization, with 1,249 of our 1,811 employees at the time the data were sourced. It continues to grow each day and will be a focus of the DEI Team and Engineering leadership to ensure retention, promotions and hiring processes all have a lens of inclusion and diversity. The two charts show the breakdown of female and underrepresented racial and ethnic group employees in engineering, first in all roles and then, more narrowly, among the engineering technical staff.

In chart 3, we see that female representation has stayed steady at 20% year over year, but our racial representation has been below availability in all markets. We have seen slight growth in our Asian and Hispanic/Latinx populations. Chart 4 focuses on our Technical Staff within engineering. We have stayed flat year over year. Draper would like to move our numbers up to match or exceed national and regional availability by DFY25.

CHART 3. ALL ENGINEERING

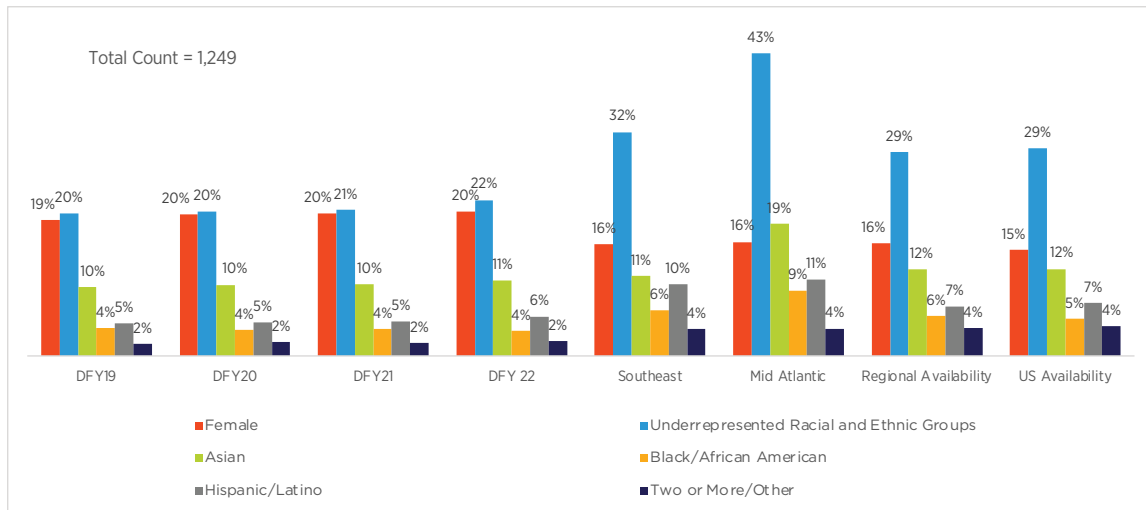
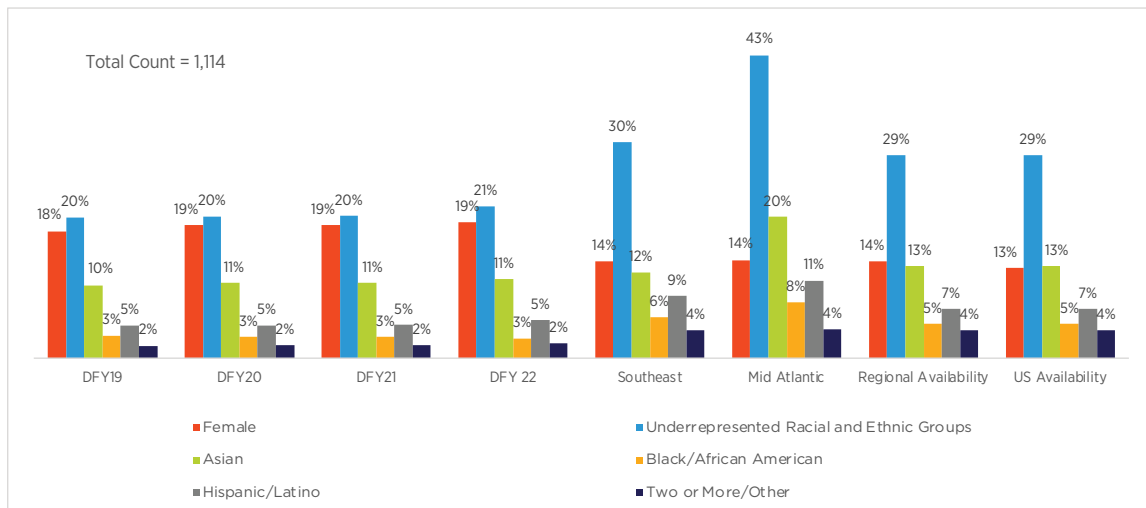


CHART 4. ENGINEERING TECHNICAL STAFF



Charts 5 and 6 address Strategic Systems program office (PA), which encompasses Draper’s work for US Navy Special Programs (e.g., Trident), Air Force and Missile Defense Agency and others in boost guidance, hypersonics and more. The Strategic Program division is made up of around 68 people at the end of FY22. We are still underperforming in all aspects of diversity. Our Chief Diversity Officer will be working with the leadership of PA on a performance improvement plan to increase and retain talent from HEGs.

CHART 5. ALL STRATEGIC

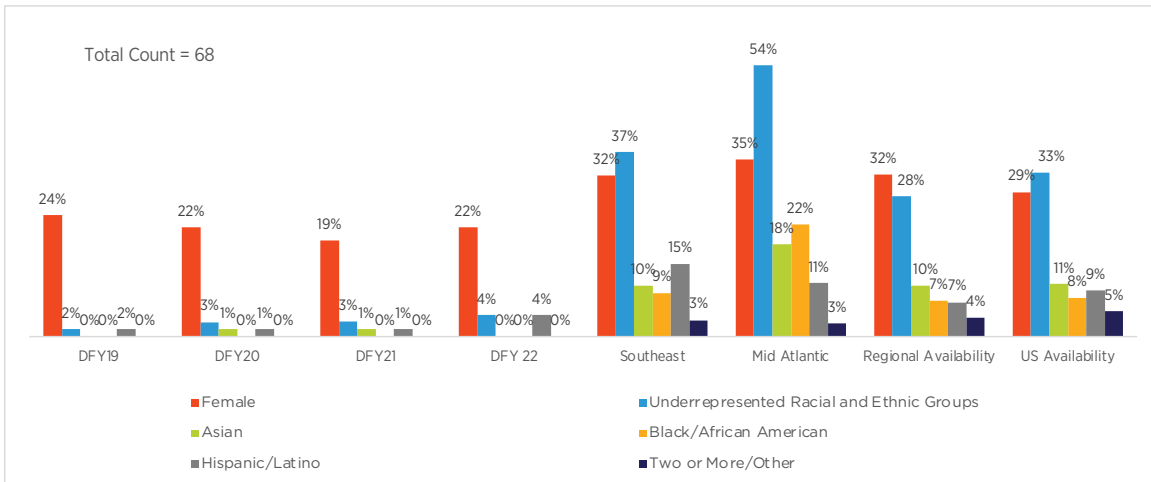
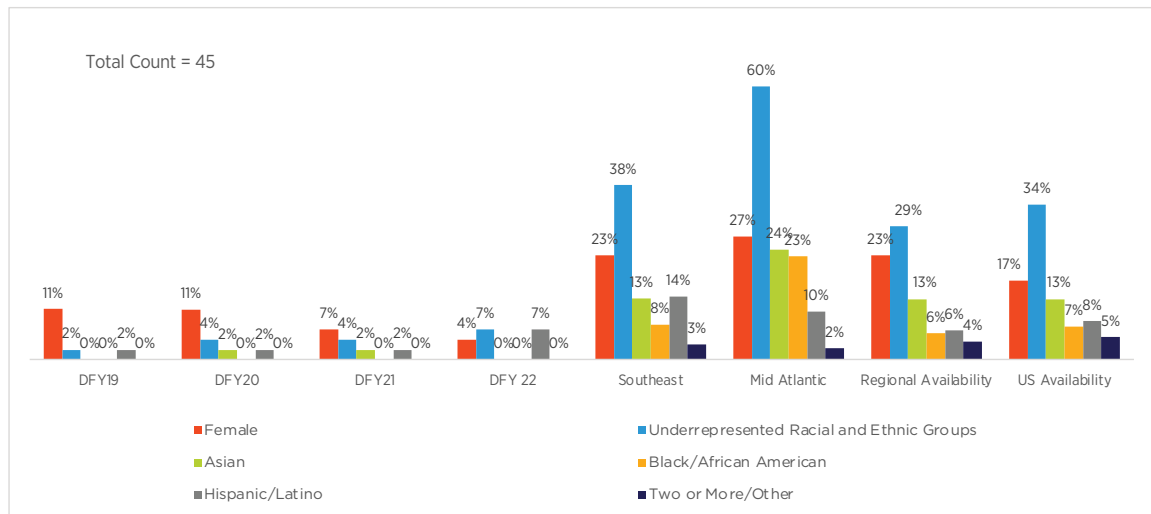


CHART 6. STRATEGIC TECHNICAL STAFF



Charts 7 and 8 examine our National Security and Space program office (NS&S), where we also find room for improvement. NS&S is responsible for precision guidance for munitions, designing autonomy architecture for unmanned undersea vehicles, advancing celestial navigation technology, developing algorithms for geospatial intelligence analysis, devising both hardware and software cyber security for embedded systems and more. Space Systems covers advanced and autonomous guidance, navigation, and control to fault-tolerant computing and software design, for civil and commercial customers. While we see some improvements across certain populations, we are still tending much below the availability.

CHART 7. ALL NS&S

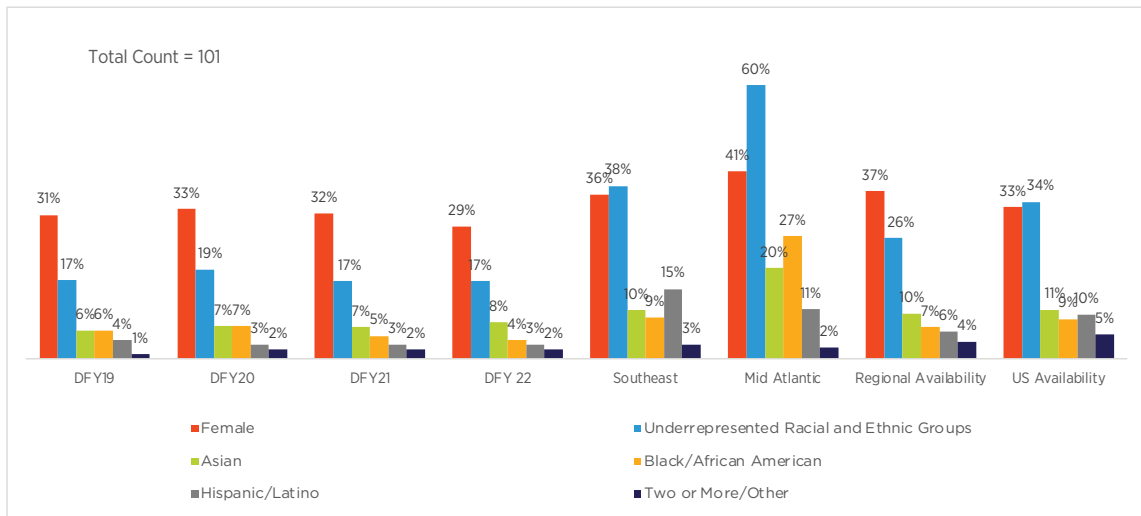


CHART 8. NS&S TECHNICAL STAFF

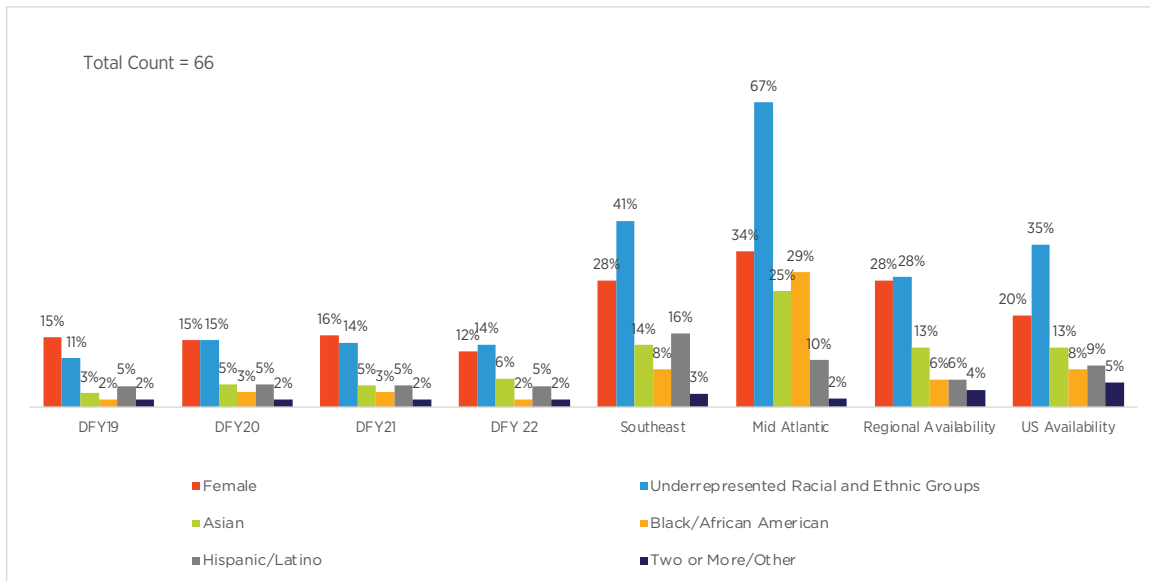


Chart 9 shows the diversity breakdown in our Commercial Program office, which contains Draper’s Biotechnology work (formerly also included Transportation and Energy). Again, due to the small number of people in the Commercial Program Office, we must take the percentages with caution. There is work to be done within the Technical staff of Commercial as it hasn’t had any racial diversity for two years.

Chart 10 shows all other corporate functions, which include Finance, HR, Internal Audit, IT Services , Legal, Operations and Diversity. These functions have fluctuated over the last three years. We’ll have to investigate and solve for retention and recruitment issues within these teams.

CHART 9. ALL COMMERCIAL

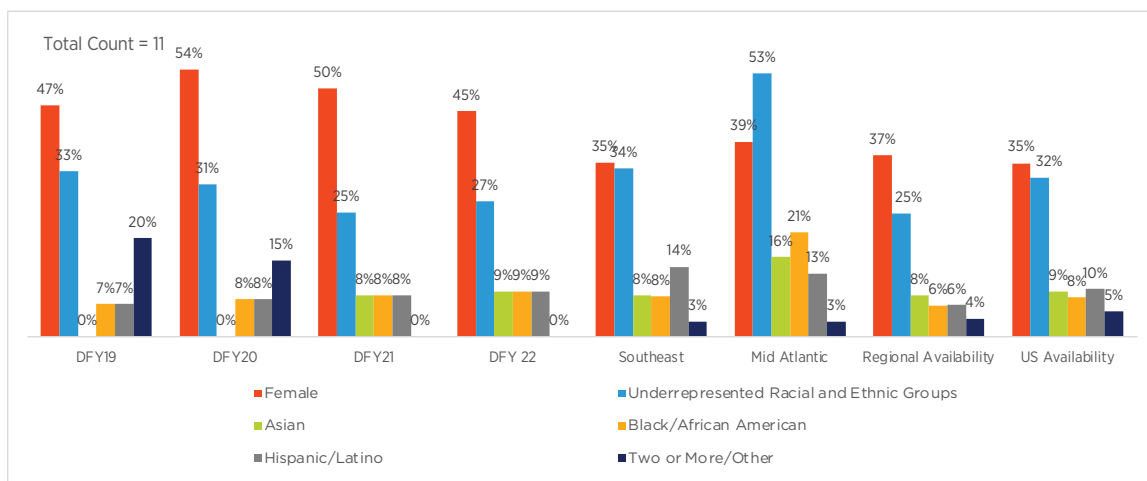
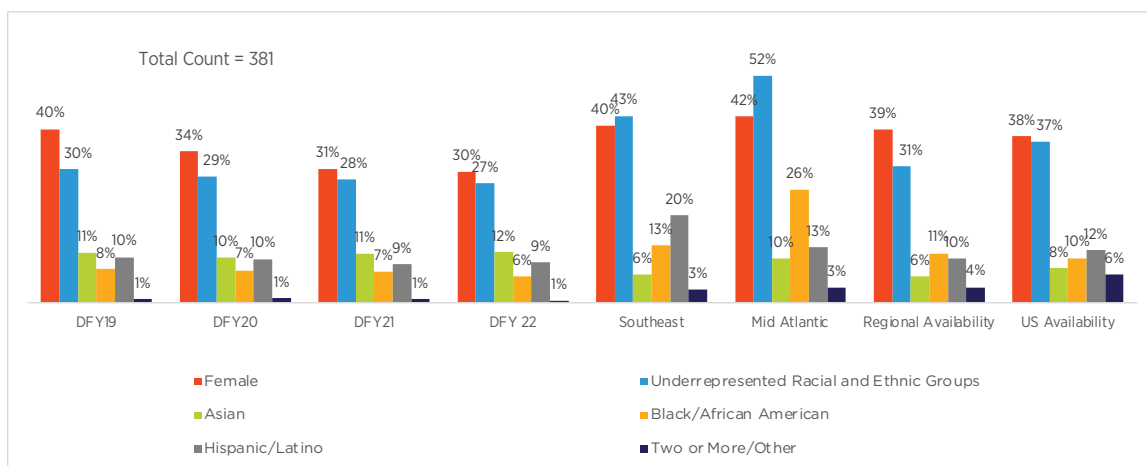


CHART 10. ALL CORPORATE FUNCTIONS - FINANCE, HR, INTERNAL AUDIT, IT SERVICES, LEGAL, OPERATIONS

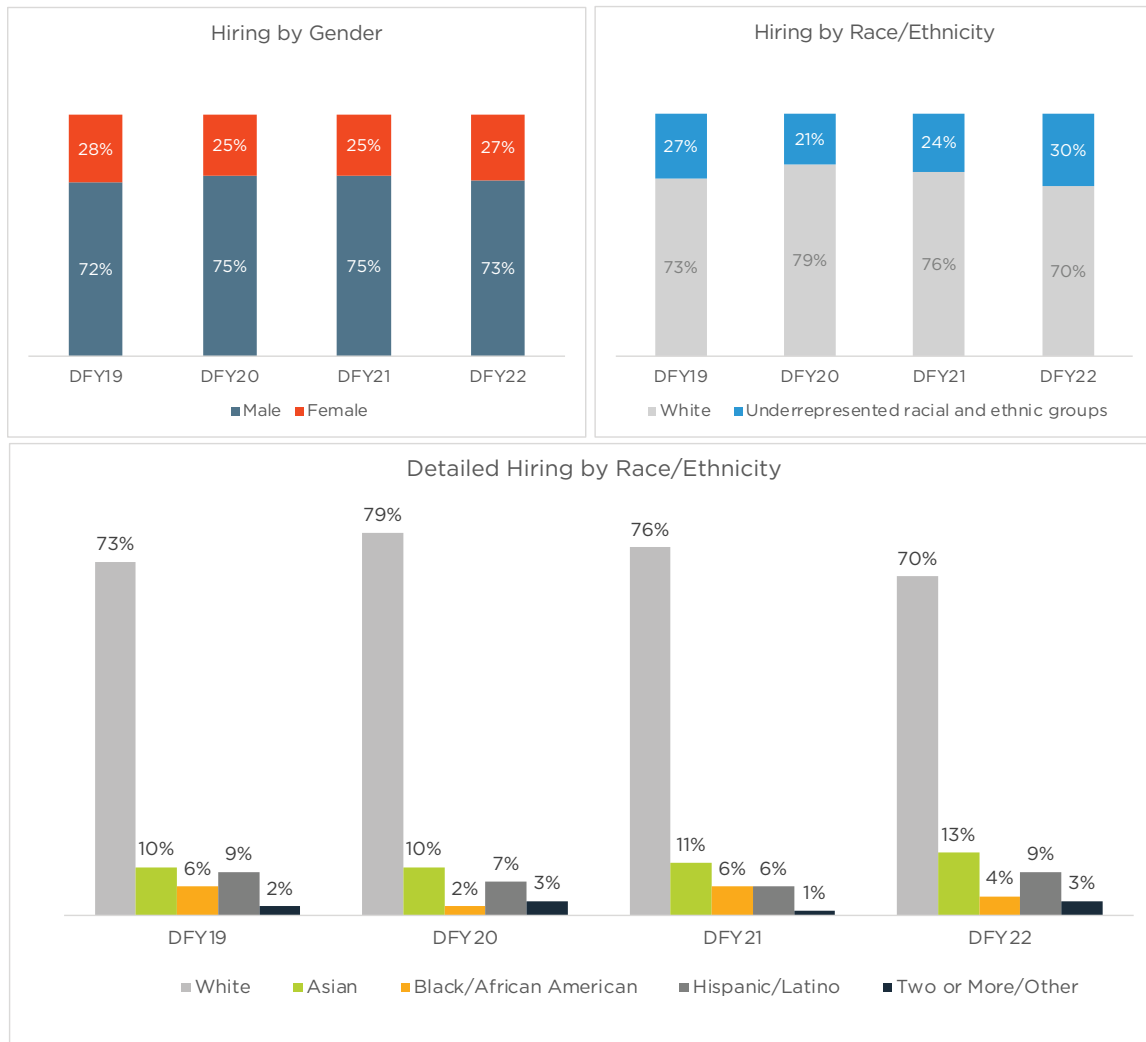


In summary, while our current mix of gender and racial/ethnic diversity across the entire corporation is similar to the regional mix, there are pockets that need drastic improvement. We are fully committed to making those improvements.

Hiring

While hiring for diversity is important, inclusion, without an inclusive culture, will cause our gains to be short-lived. Over the past three fiscal years we've hired 259 in DFY20, 218 in DFY21 and 280 in DFY 22. While we see an uptick in our hires from historically excluded groups--21% in DFY20, 24% in DFY21 and 30% in DFY22--we must ensure we are retaining, investing in and promoting our talent.

CHART 11. HIRING



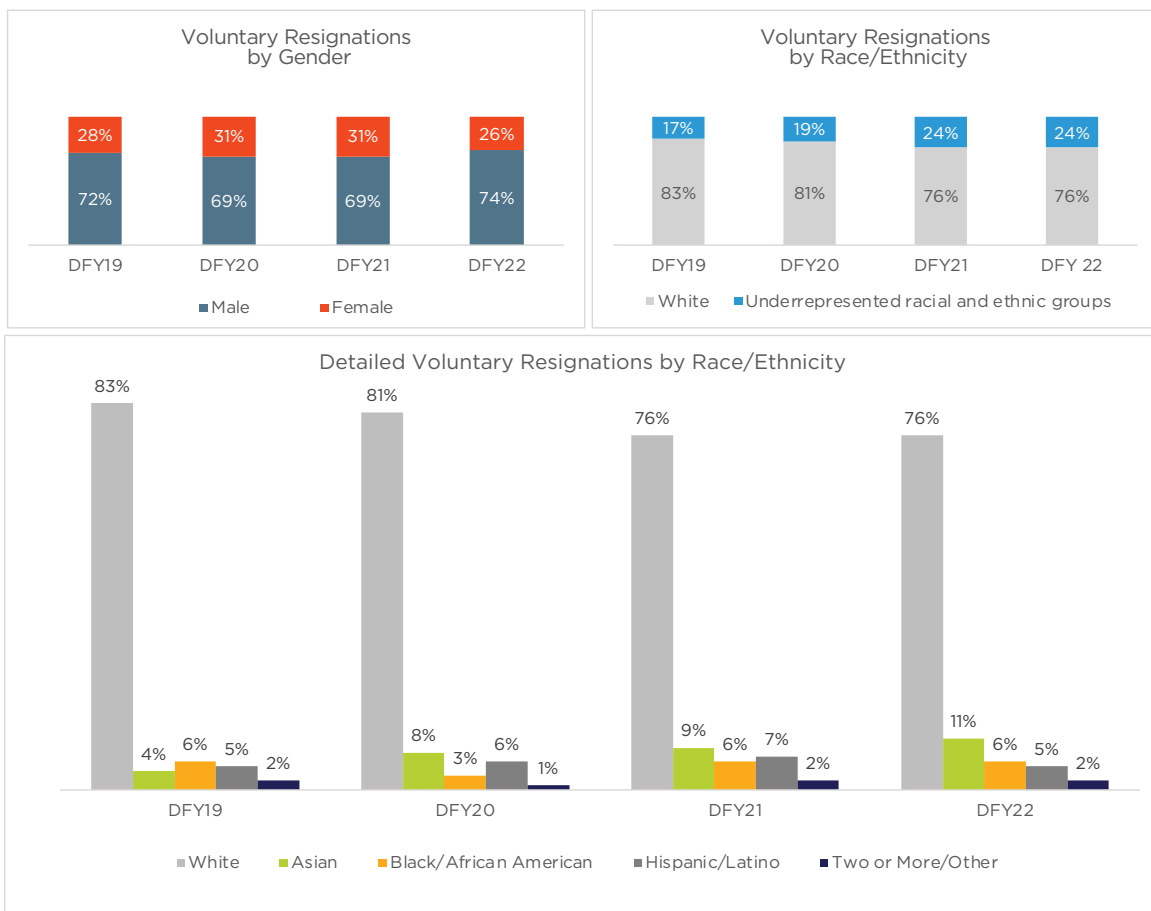
Total # of hires DFY19 267 DFY20 259 DFY21 218 DFY22 280

Retention

The past two years have brought about an inflection point for employees to decide what will be drivers of their careers. For Draper to keep the best and brightest we must provide them the best work environment and experience. As our DEI strategy comes together, we will implement new strategies to support our retention levels.

One of the first actions we will take will be to start an organization-wide mentorship program in Q3 of this fiscal year.

CHART 12. VOLUNTARY RESIGNATIONS⁴

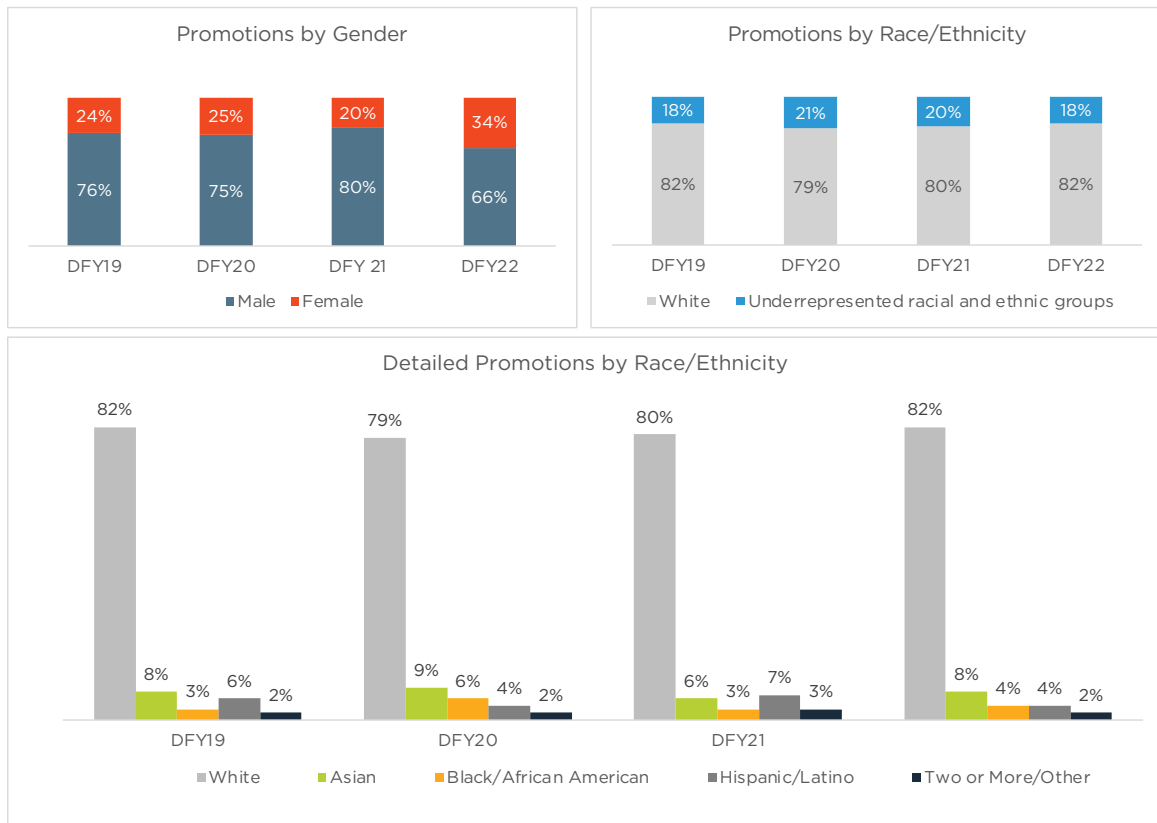


4. Showing the ratio of employees in each category who resigned in that year as a percentage of the total number of voluntary resignations in that year.

Promotion Rates

The glass, bamboo, or concrete ceiling keeps underrepresented groups from moving up in organizations. These intangible reasons why people are not getting promoted can no longer be tolerated. We are overhauling our current processes to remove bias, increase clarity of promotion criteria and ensure equity throughout. From the changes we've already implemented we have surpassed our Annual Operation Plan goal for our female population. With our new processes we will have to make similar gains for our talent of color and others.

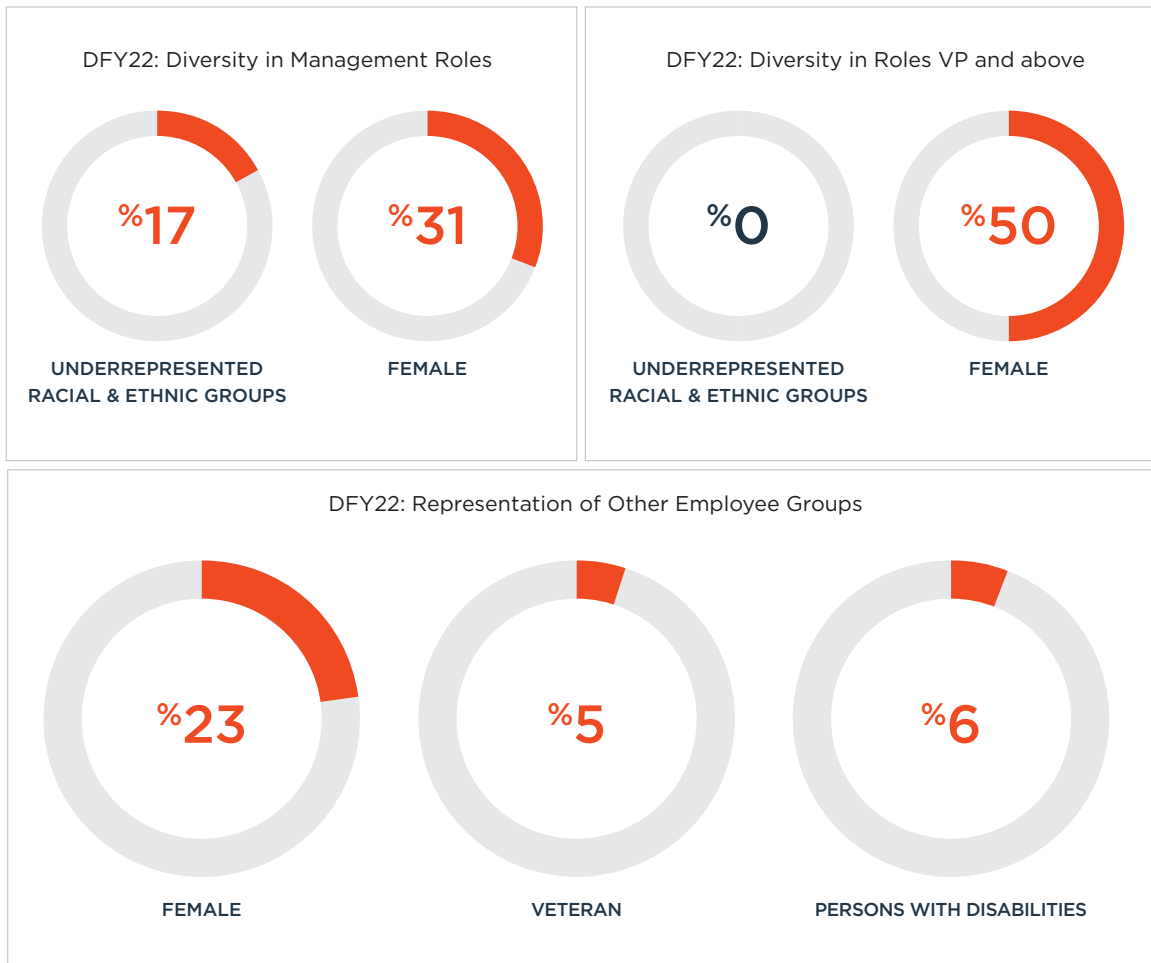
CHART 13. PROMOTIONS



Total # of promotions DFY19 184 DFY20 264 DFY21 230 DFY22 247

Additional Data Highlights

CHART 14.





We must achieve this sense of belonging to the organization to expand our reach.

PROGRESS ON 2021 GOALS

In 2021, we outlined 4 items that we were going to focus on over the next 12 months. Although they are not fully complete, we have made some progress. Below is an update on our previous goals.

Goals

1. *We are improving procedures for filling positions at Draper, from both internal and external sources. As an engineering organization, we understand the importance of having the right technical skills for the job. Equally important is the fit within the organization. To that end we are also adding an element of behavioral interviewing to every interview conducted at Draper.*

PROGRESS: Draper designed a training about behavioral interviewing and piloted it in May of 2022 for its senior roles. It will be shared more broadly across the organization and will become mandatory for all employees who are part of the interview process.

- 2. We are reengaging on the unconscious bias training Draper conducted in 2018, 2019 and early 2020 and expanding resources and offerings to include additional DEI concepts that target identified needs.*

PROGRESS: We invited our learning partner back in 2021 to host more workshops. We will be evolving our onboarding process to include unconscious bias training for all employees.

- 3. We are updating and formalizing the charters for all current ERGs and will be looking for members of the ELT to step up and sponsor these groups on a rotating two-year basis.*

PROGRESS: Our ERGs now have charters and we've created a new one, Ability+ for our employees living with disabilities and allies. All of our ERGs have ELT sponsorship and will continue to invest in them. They are vital to our culture and growth.

- 4. We will institute clear diversity guidelines for all managers at Draper, such that performance will be tied to their ability to create an atmosphere in which employees feel that they belong, that their work is appreciated, and in which they are offered opportunities to advance.*

PROGRESS: We have incorporated our Core Values into our performance review cycle in 2022. As we update and redesign future cycles, DEI will have a more explicit and measurable goal for all Draper employees.

Our Ongoing Mission

Building a more diverse and inclusive community at Draper is a shared responsibility, one with many opportunities to participate and make an impact, through formal and informal ways. Joining an ERG, helping new employees orient to Draper, living our Core Values--all contribute to a more-welcoming workplace for all of us. Please contact Aisha Losche with questions and ideas for improving the Draper experience.

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