



2023

Diversity, Equity, & Inclusion Report

Vanguard®

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Introduction from our CEO and Global Head of DEI & Community Stewardship

At Vanguard, putting our clients first in everything we do is central to our values. Since our inception, Vanguard has been on a mission to give our clients the best chance for investment success. Just as our client-first culture is integral to Vanguard’s mission, so is our commitment to DEI. We aspire to create an inclusive, equitable, and diverse work environment that enables crew to thrive and bring their best selves to work every day on behalf of our clients.

Our aspirations for DEI aim to improve representation of underrepresented crew and foster an inclusive culture for all crew. As is always the case, accountability is the ingredient that translates DEI strategy into concrete actions. The work of DEI lifts all groups, and cultivating DEI is everyone’s job. All crew have a role to play—from our senior leaders who lay the foundation and set the example for inclusive behaviors to crew who are early in their careers and learning about the value that DEI adds. Our partnership, as CEO and Global Head of DEI, and the commitment of our Executive Management Team, are critical to the path forward.

When everyone is engaged and DEI is woven into our systems and practices, the whole organization benefits, and more crew have opportunities to thrive. We continue to focus on attraction, advancement, and retention as key talent life cycle levers that drive improvement in our representation and inclusion outcomes. Our DEI efforts include an intentional focus on ensuring that individual and organizational accountability penetrates through all levels of leadership, and empowering frontline and middle managers to unlock the full potential of their teams. Externally, we are proud of our efforts to advance equitable access to early

childhood education in our local communities. We continue to diversify our supplier base and invest in inclusive client experiences.

DEI is an integral part of our culture and imperative to driving our strategy forward. We are grateful for the support of our board, our clients, our crew, and our partners as our journey continues.

We still have work to do, but our commitment is steadfast, and we remain focused on our path ahead.

Sincerely,



Tim Buckley
Vanguard Chairman and Chief Executive Officer



Crystal Hardie Langston
Principal, Global Head of Diversity, Equity, and Inclusion & Community Stewardship

At the heart of our mission: Taking a stand for all investors

Vanguard is one of the world's most respected investment management companies, offering a broad selection of investments, advice, retirement services, and insights to individual investors, institutions, and financial professionals.

Vanguard is based on a simple but revolutionary idea—that mutual funds should be managed in the sole interest of their clients. That was the vision when Vanguard began operations in 1975.

We operate under a unique, investor-owned structure* and adhere to a simple purpose: **To take a stand for all investors, to treat them fairly, and to give them the best chance for investment success.**

We work for our clients. Literally. That means our interests are uniquely aligned, allowing us to focus only on clients and their goals.

*Vanguard is owned by its funds, which are owned by Vanguard's fund shareholder clients.
All figures as of September 30, 2023.



50M+

More than 50 million individual investor clients worldwide



430

Number of funds offered globally

203 in the U.S. and 227 internationally



\$7.8 trillion

Assets under management



20,000

Approximate number of employees worldwide



Building better lives for investors worldwide

By living our values and working with integrity, focus, and stewardship, we're helping investors build better lives for themselves and the people they care about. As an industry leader, with a presence in North America, Europe, and Australia, we care for our crew by striving to create a culture of belonging throughout our global locations.



Locations

8 in North America

Malvern, Pennsylvania; Charlotte, North Carolina; Scottsdale, Arizona; Oakland, California; Washington, D.C.; and Dallas, Texas, in the U.S.; Toronto, Canada; and Mexico City, Mexico

8 in Europe

London, England; Paris, France; Berlin, Germany; Frankfurt, Germany; Amsterdam, Netherlands; Dublin, Ireland; Milan, Italy; and Zurich, Switzerland

1 in Australia

Melbourne

Nurturing
a diverse
community
of crew

TAKING A HOLISTIC APPROACH TO DEI





The principles of diversity, equity, and inclusion

The principles of DEI each have their own specific focus and work together to create an environment where a diverse community of crew aren't only represented, but feel valued, supported, and nurtured.

Diversity

Diversity generally refers to the differences between people within teams, companies, and communities. Diverse teams are more innovative and make better decisions than homogeneous groups. We need diverse teams solving today's problems while anticipating tomorrow's. Our differences make us stronger and help us produce better results for our clients.

Equity

Equity refers to fair treatment, access, opportunity, and advancement for all, while striving to identify and eliminate barriers that have prevented the full participation of some groups. While diversity acknowledges the presence of difference, equity seeks to ensure fair treatment and acknowledges different needs. Practicing equity helps us build on our strengths by providing more opportunities for more crew to develop and thrive.

Inclusion

Inclusion accounts for the behaviors and norms that ensure people feel welcome, valued, and like they belong. Inclusion embraces difference. Diversity without inclusion doesn't enable our organization to leverage the benefits that diverse teams bring.



Nurturing a diverse community of crew



Our DEI aspiration

Our aspiration is to create an inclusive and equitable work environment that reflects a diverse community of talents and drives our mission to provide investors with the best chance for investment success.

To truly achieve our mission, we need diverse teams to seize opportunities and solve problems—today's and tomorrow's.

We aim to have every level of leadership reflect the gender and racial diversity of our crew population—with year-over-year increases along the way—and to nurture all our crew in an inclusive and equitable environment that fosters individual and collective growth.

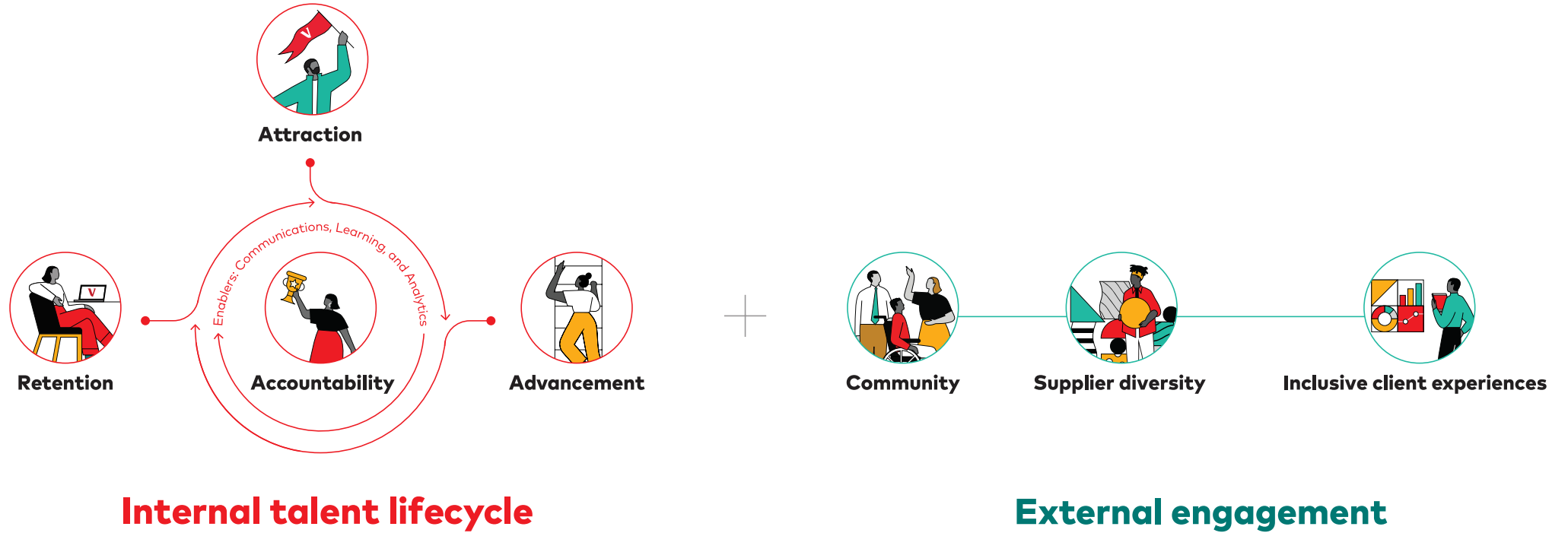


Nurturing a diverse community of crew

Our enterprise DEI strategy

To best drive our aspirations, our internal DEI strategy is focused on the **attraction, advancement, and retention** of underrepresented talent so that all crew can thrive in an inclusive environment. Driving accountability for progress is a critical part of our approach. We're also enabling leaders and crew through ongoing education, a comprehensive strategy for communicating progress, and analytics and insights that sharpen our focus.

Our DEI commitment extends to the ways we **engage the world around us**. We've taken steps to strengthen our local communities, work with a diverse community of suppliers, and create inclusive and equitable experiences for our current and prospective clients.





Internal talent life cycle

Attraction

One of the key components of representation is our ability to attract a diverse community of strong, global talent that can drive innovation in the investment industry and serve our growing and increasingly diverse clientele. We're committed to driving inclusive hiring processes and building mutually beneficial relationships with talent attraction partners around the world.

Advancement

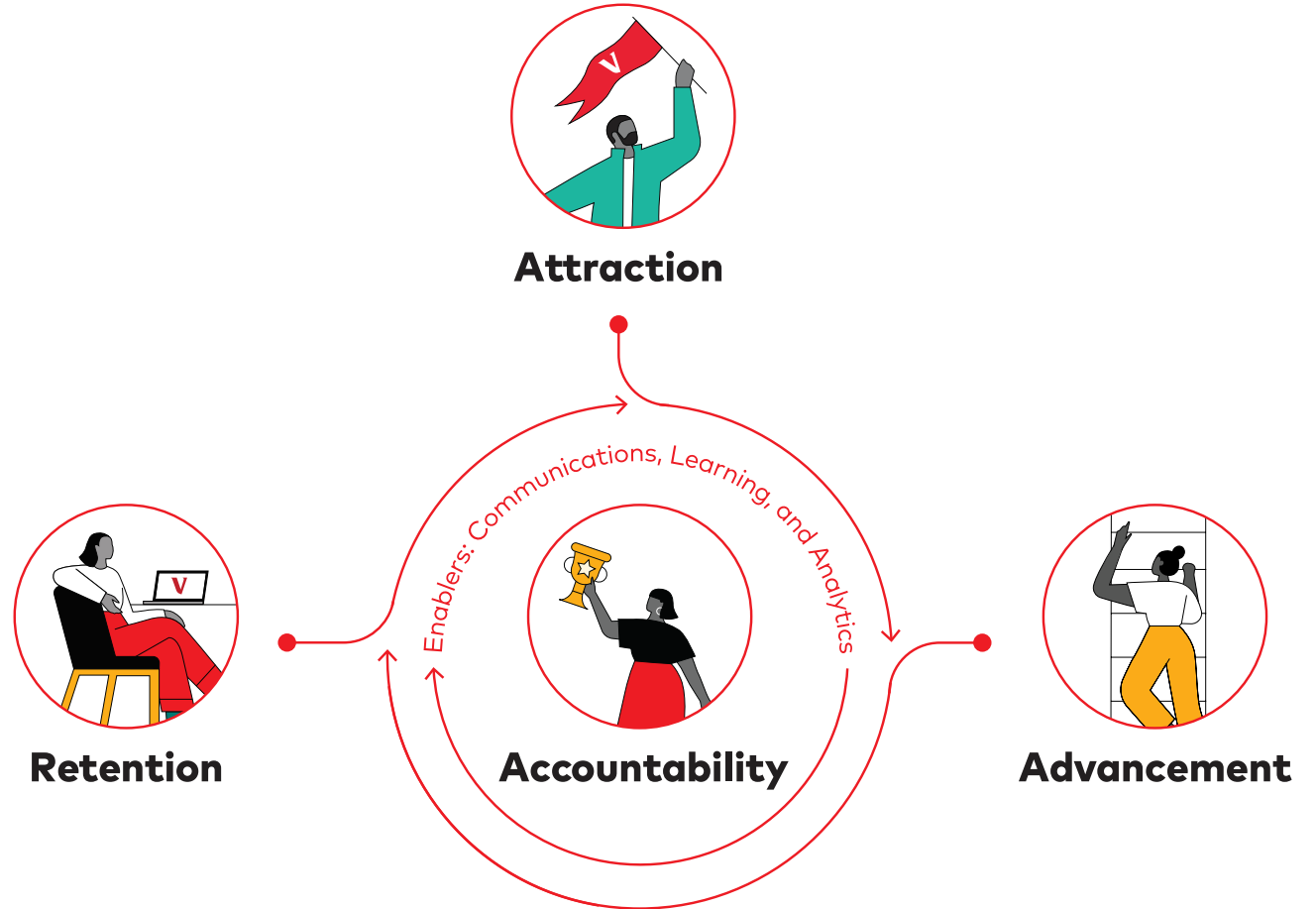
An intentional focus on advancement is critical to our strategy as we explore the factors that drive representation at the most influential levels of the enterprise. We seek to ensure that our crew have equitable access to rich and meaningful opportunities to grow and thrive at Vanguard. We're also continuing to embed DEI into our talent development curriculum.

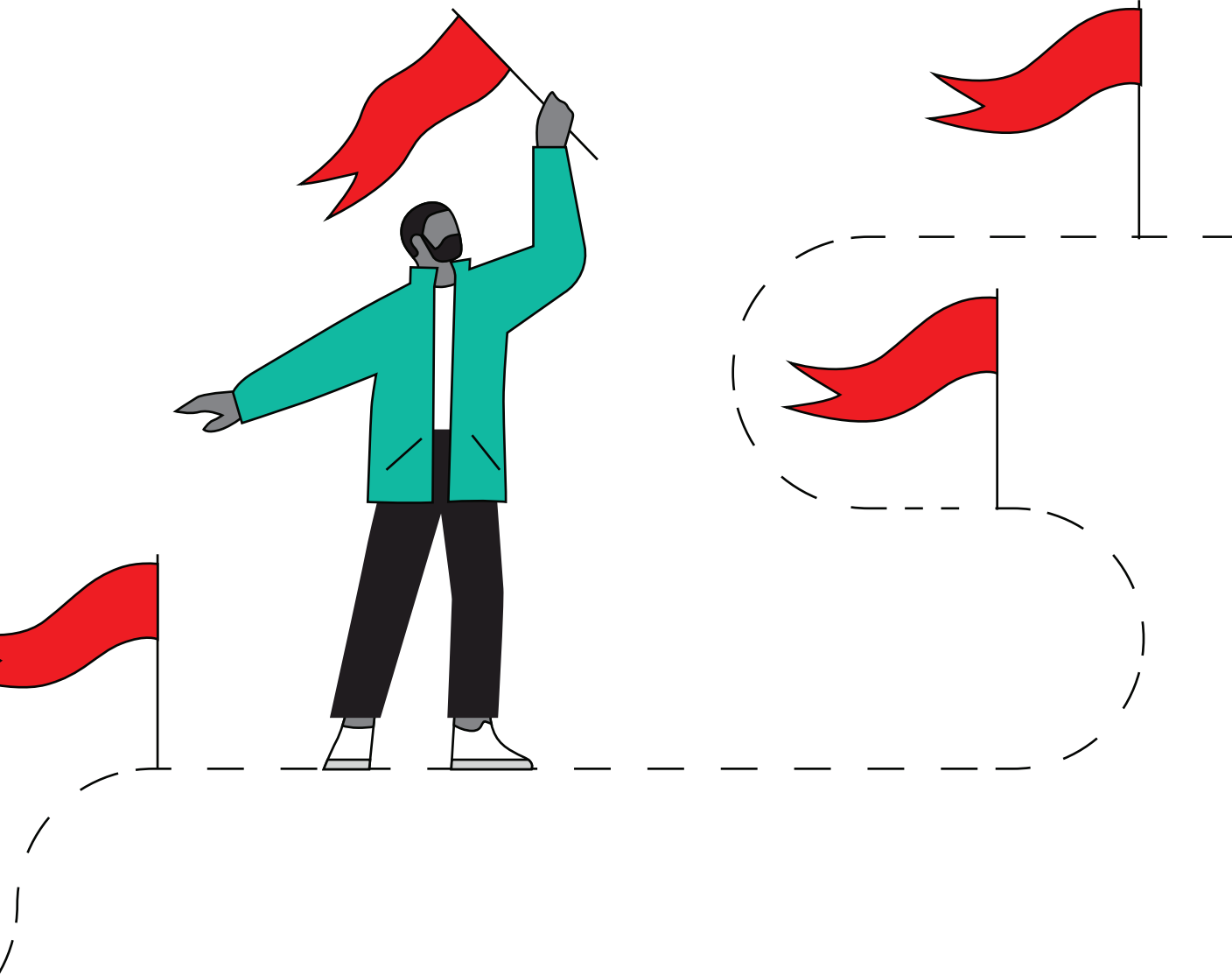
Accountability

Being a truly inclusive organization requires leadership accountability. Integrating DEI and driving strategy and accountability through all levels and functions of the organization are essential to our approach. It's also essential to our ability to create an environment in which all crew feel connected by our noble mission. Our DEI team partners with business leaders across the enterprise to ensure each division and region has an action plan that includes DEI acumen-building, equitable approaches to talent processes, and targeted interventions that address local themes.

Retention

While attracting new talent is a key part of our strategy, it's just as critical for us to retain the great talent we already employ. We're continuing to invest in learning as a key enabler. We've also developed leader tools and interactive development experiences that intentionally focus on retaining top talent, including underrepresented crew. And we're working to ensure that our unique focus on doing noble work, working collaboratively, and giving crew opportunities to grow remains relevant and resonant.





Our enterprise DEI strategy

Attraction

As a function within our Global Talent Acquisition (GTA) organization, our Diversity Recruiting Strategies team consults with recruiting teams and leads our diversity attraction programs and partnerships.

In 2022, we unified our university and diversity recruiting efforts under a branded organization, Emerging Talent and Diversity Recruiting Strategy (ETDRS). The team is anchored by a mission to democratize access to opportunities at Vanguard by investing in inclusive hiring systems,

deepening our strategic partnerships with schools and professional organizations that enable our engagement with underrepresented talent, and investing in technologies that enable our access to a diverse community of talent at all levels.



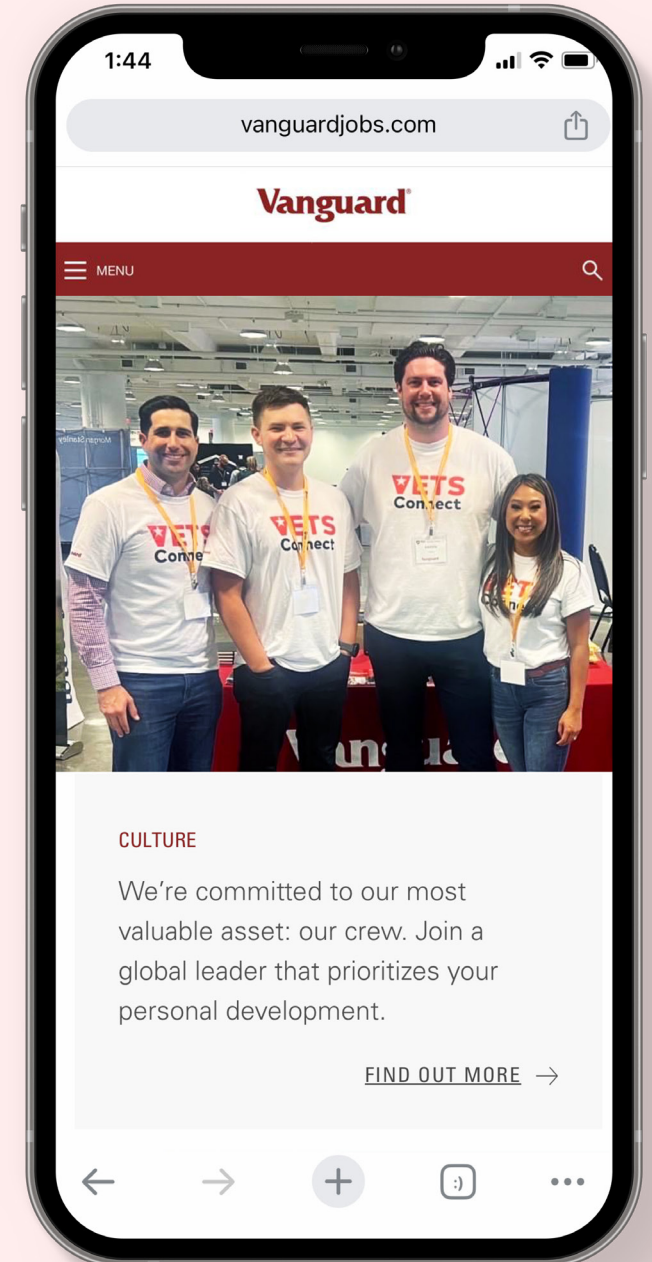
Attraction highlights

Inclusive hiring

We've invested in inclusive hiring systems and best practices to help leaders develop diverse candidate pools, which include women and people of color, at critical interview stages. As a result of this investment, diverse representation among new hires has increased at all levels of the organization. Our commitment to holding leaders accountable for gathering diverse pools of candidates for open positions is integral to our DEI goals and will endure.

Our data shows that we're **1.5 to 2 times** more likely to yield a diverse community of hires when our candidate pools are diverse.*

In addition to driving leadership accountability for inclusive hiring, the ETDRS team partners with recruiters to help leaders expand their networks and continuously create diverse pipelines of talent. In recent years, this team has also worked to embed inclusive hiring practices across enterprise recruiting efforts. Recruiters are trained on bias disruption and all managers are expected to complete an "Inclusive Hiring" training course, both of which reinforce equitable hiring processes and strengthen leaders' ability to recognize and mitigate bias in the process. The courses are supplemented with an Inclusive Hiring playbook and a video series that features leaders sharing best practices and insights on how they implement inclusive hiring practices and the positive outcomes that resulted.



*As of October 2023.



Pipeline partnerships

Our partnerships with Minority Serving Institutions

We've made strong progress with our strategic partnerships with Minority Serving Institutions (MSIs), including Historically Black Colleges and Universities (HBCUs) and Hispanic-Serving Institutions (HSIs). This year, the number of hires from these schools doubled year over year because of our broad reach to a variety of schools within the MSI ecosystem.

Through these partnerships, we've developed high-impact experiential learning opportunities for students to explore Vanguard's broad variety of career paths. Our annual North Star Sophomore Experiential Learning Program and our HBCU EXPLORE and Latinx EXPLORE programs welcome HBCU and HSI undergraduate students from across the U.S. to network with Vanguard leaders and enhance their professional development.

In recent years, we began including MSI faculty and administrators in our programming. By nurturing relationships with these university leaders, we've gained powerful ambassadors who can help students explore financial services and investment management career paths and Vanguard opportunities in more depth.

Vanguard continues to partner with the Howard University School of Business on the Howard Sales Management Fellowship program. Now in its third year, this exciting initiative identifies and develops HBCU students for sales careers through course development, faculty externships, workshops, student internships, and job placement. As part of the initiative, Vanguard also offers a faculty externship to advance sales acumen with respect to the asset management industry, support curriculum development, and expand sales career pathways.

In 2022, the fellowship program launched a sales internship that hosted students from **9 additional HBCUs.**

Our relationships are strengthened by our partnership with the Thurgood Marshall College Fund (TMCf). Through this alliance, Vanguard proudly offers support to outstanding students attending one of TMCf's member-schools, which include 47 publicly supported HBCUs and Predominantly Black Institutions.

Professional partnerships

Vanguard has strong relationships with nonprofit organizations, including The Consortium for Graduate Study in Management (CGSM), Grace Hopper Celebration of Women in Computing (GHC), Sponsors for Educational Opportunity (SEO), and Association of Latino Professionals for America (ALPFA), all of which are focused on identifying and developing high-achieving talent from underrepresented communities.

Through a relationship with Blavity, Inc., a global technology, information, and media corporation, we have a proud partnership with AfroTech, which hosts an annual gathering of inclusive tech companies and innovators. In 2022, we attended the first in-person AfroTech conference since the start of the pandemic. We returned to the conference in 2023 as a sponsor, engaging with over 25,000 Black technologists and allies from across the nation and world.

Attraction profile

ALPFA Tech Summit

Opening doors for Latinx tech professionals

When the oldest Latinx professional organization in the U.S. was seeking a venue for its inaugural Northeast Regional Tech Summit, Vanguard welcomed the opportunity to collaborate with ALPFA to host the event.

For more than 50 years, ALPFA has been committed to empowering and developing Latinx leaders of character in every sector of the global economy.

The April 2023 summit brought more than 300 IT professionals and students to Vanguard's Malvern, Pennsylvania, campus and featured two days of programs focused on exploring cutting-edge technology and learning about IT career opportunities.



"We have been developing strategies to raise awareness within the Latinx community of Vanguard's IT careers. Hosting the event not only increased awareness, but it also gave potential candidates the opportunity to experience Vanguard's campus and culture firsthand," said Vanguard Diversity Recruiting Consultant Jose Mata. "We wanted to show people that Vanguard is a fintech [financial technology] firm, that this could be their home, and that Vanguard cares about the Latinx community."

The event also included an executive reception where ALPFA CEO Damian Rivera, top IT leaders in the Latinx community, and Vanguard's senior leaders spent time networking and deepening their relationships. Reflecting on the event, Damian said, "The Northeast Regional Tech Summit will go down in ALPFA history as the first major step toward supporting the growing number of Latinos focused on both technology and the financial services industry. We were truly honored to have Vanguard's senior leaders host us for an executive reception. We were able to collaborate and discuss ways in which we could create more impact together in the future. We are excited to see what the future holds for us and, even more so, the lives that will be impacted because of the learning and networking that took place."

Attraction profile

ALPFA Tech Summit

ALPFA has been a premier partner in Vanguard's talent attraction efforts since 2017. In 2022, when Vanguard established its Emerging Talent and Diversity Recruiting Strategy team, which includes an intentional focus on Latinx recruitment strategies, the relationship blossomed. "Early in our relationship, Vanguard primarily focused

on attending ALPFA's annual conference and supporting ALPFA as a sponsor. Today, we have a national partnership as well as regional alliances in the Philadelphia area, in Charlotte, North Carolina, and in Phoenix, Arizona," explained Vanguard Early Talent Engagement Lead Steven Loya.



“ The feedback we've received from crew who attended the event was overwhelmingly positive. They told us that the event validated their decision to come to Vanguard and inspired them to further their careers here. The event left a lasting impression and opens the door to hosting similar events in the future.”

Steven Loya
Vanguard DEI Consultant and Early Latinx Talent Lead





Attracting talent around the world

Europe

In Europe, we partner with Investment20/20—a London-based organization dedicated to creating a more diverse investment industry via internship experiences. Over the past four years, we've hosted trainees across a broad range of business areas, some of whom have converted to permanent roles at Vanguard. We've also recently partnered with The Brokerage, an organization that supports young people from underserved communities in achieving their career potential. Through this partnership, crew from our investment teams serve as mentors, sharing important skills and knowledge about the investment management industry with a diverse community of students ages 16 to 25.

Australia

In Australia, we host the Future Females in Finance program in collaboration with the CFA Society in Melbourne. The program gives women who are university students direct experience in the finance industry and exposure to potential employers. We also partner with the Australian Business and Community Network, a nonprofit organization that pairs businesses with schools to offer students from low socioeconomic backgrounds opportunities to participate in a mentoring program. This program helps students develop leadership skills and confidence to thrive in the workplace of the future.

Another way Vanguard demonstrates inclusion in Australia is through a partnership with auticon, a job placement firm specializing in candidates on the autism spectrum. This collaboration has resulted in talent placements within our Personal Investor Marketing Analytics and Client Intelligence functions and has informed our neurodiverse talent attraction efforts.

Mexico

In Mexico, we partner with Mujeres en Finanzas (“Women in Finance”) in its mission to promote the professional development and empowerment of women in the financial industry and increase the number of women in leadership positions in the Mexican financial sector.

Canada

Vanguard Canada partners with Women in ETFs (WE) Canada Chapter to help build a pipeline of women leaders for the Canadian ETF industry. Vanguard Canada supports this objective through event sponsorship and participation in the WE mentorship program.



Nurturing a diverse community of crew



Greg Davis

Managing Director, Chief Investment Officer

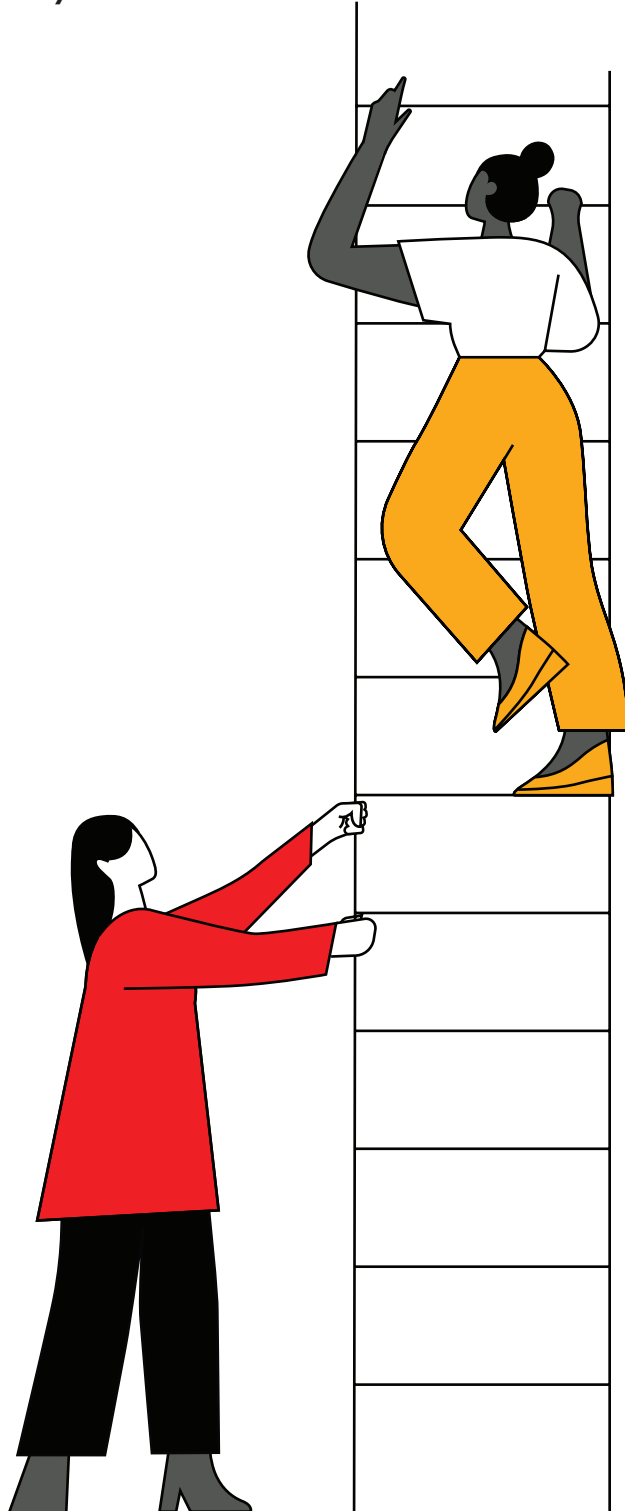
“ From Australia to London to the U.S., crew in Vanguard’s Investment Management Group have built strong networks that let us hear from diverse groups of thought leaders and future investment professionals. By putting a strong focus on diversity among our external partners, we now have a wider, more engaged network of brokerage firms owned by women and people of color, student organizations, and leadership programs. This has expanded our talent pipeline, provided access to the industry’s top women leaders and leaders of color, and is opening doors to new business opportunities.”



Adriana Rangel Cardenas

Head of Institutional Sales, Latin America, International

“ [Inclusive hiring] is not an HR function. This is a function for all of us and especially for hiring managers and leaders. [We must] tap into networks, tap into groups that we can join, and be able to grow that network. The power of the network is huge.”



Our enterprise DEI strategy

Advancement

We seek to ensure that equity is a core component of our talent advancement processes and programs—and that our crew have equitable access to opportunities to grow and thrive at Vanguard.

We're committed to continuing to make DEI foundational to the ways we develop our crew. As part of that commitment, we've established a Diversity Development Strategies

function within our Global Talent Management organization to ensure our development offer evolves and is accessible to a wider array of crew.



Advancement highlights

Sponsorship programming

Alongside a number of development enrichment experiences available to all crew, Vanguard facilitated a Sponsorship Program to connect underrepresented crew with senior leaders who can advocate for them and help with access to critical development opportunities. It is well documented that women and people of color are less likely to receive the senior leader advocacy needed to advance. Our program enables sponsors by providing them with tools and practical steps they can take to build awareness of cultural dynamics, build trust, and provide advocacy support. Sponsored crew members are engaged in experiences that help them maximize this opportunity and add unique value to the relationship. Program participants have higher levels of retention, strong engagement, and receive rich insights that were harder to access prior to these relationships.

Leadership development

We offer crew from underrepresented communities around the globe opportunities to participate in immersive development programs for aspiring leaders. These experiences sit alongside leadership offers available to all crew, and help provide equitable access to strengthening skills and building networks to achieve their professional aspirations.

Equitable talent identification, review, and development processes

We've integrated DEI principles into our talent review process and equipped our senior leaders with dynamic reporting tools, guiding principles, and training on how to create equity in talent identification and development. Our senior leadership team also drives accountability for diverse representation in our executive succession planning process.





Our enterprise DEI strategy

Retention

While attracting new talent is a key part of our strategy, we're equally focused on retaining the great talent we already employ. In addition to accessible DEI learning offers, we've also developed leader tools and interactive development experiences that intentionally focus on the retention of top talent, including underrepresented crew.

We're exploring ways to deepen the measurement of these experiences, but our current measures have signaled positive impact on underrepresented crew and their leaders.

And we're working to ensure that the value of the unique career development benefits we offer crew—tangible and intangible—is relevant and resonant.



Retention highlights

Inclusive partnerships between underrepresented crew and their leaders

In 2021, Vanguard launched Managing for Inclusive Partnerships (MIP), an experience that enables underrepresented crew to candidly discuss with their leaders the challenges they face. These workshops allow crew and leaders to invest in their relationships using tools and resources that can help them cultivate more inclusive partnerships. This year, we have expanded the program by adding a self-paced experience centered on career development. The expansion allows more crew and leaders to participate in MIP. In both the original and expanded experiences, the pairs develop specific action plans as a result of the experience. To date, we have seen improvements in retention among the communities that participate as crew and leaders cite high levels of experience satisfaction.

Leadership development and dialogue

Our executive leadership team (CEO and managing directors) fosters its own DEI development by hosting DEI thought leaders and crew resource group leaders to lead regular dialogues that nurture DEI acumen and surface crew experience themes.

In the U.K., our Reciprocal Mentoring Programme connects crew of color with Vanguard senior leaders—allowing the former groups to grow their networks and the latter group to increase their cultural acumen and reflect on how they can build a more inclusive workplace.

Inclusive leadership playbook

Leaders are equipped with a step-by-step guide for understanding crew engagement and minimizing the risk of attrition. The guide includes concrete actions leaders can take to ensure crew continue to view Vanguard as a long-term career destination.

Activation through education and experiential learning

Our DEI learning curriculum continues to be an important part of enabling our strategy. We offer crew and leaders courses to build their acumen at various stages on their DEI journeys. Our curriculum offers foundational DEI training and more in-depth education including practical coaching on overcoming barriers to inclusion, recognizing and addressing bias, and exploring ways to advance equity.





Retention highlights: Essential enablers

Deepening our understanding of equity

In 2021, we launched “Equity: Building Common Language and Understanding.” The course helps crew understand the fundamentals of equity and explores ways in which each of us plays a part in advancing equity in the workplace. To broaden this training, we designed an in-house equity workshop for leaders in 2022. The sessions centered on the importance of creating equitable workplace experiences. This includes developing policies and practices that support diversity, equity, and inclusion, especially in the hiring and development arena. Since the launch of the learning experience, leaders have reported a better understanding of equity and feeling better prepared to discuss equity in a workplace setting.

Inclusive conversations

This year, we’re preparing for an enterprise-wide launch of our refreshed Brave and Inclusive Conversations experience, an in-house learning series our DEI team originally launched and hosted in 2019. The experience was designed to build competence and confidence for engaging in inclusive DEI conversations. Through a progressive suite of teambuilding resources and live workshops, crew develop awareness and empathy and gain exposure to disparities between others’ experiences and their own, reinforcing the need to close those gaps and maximize the benefits DEI can yield for everyone.

Empowering our crew as they power our mission

We aim to be the best place to invest and the best place to work. Working at Vanguard means doing noble work that’s fueled by our mission, being part of a collaborative environment, and gaining opportunities to grow and develop based on individual and collective goals. In our efforts to attract and retain top talent, we analyze crew sentiment across various crew communities to better understand their needs and what motivates them at various milestones in their Vanguard journeys. Using data, analysis, and testing, we’re working to ensure that the unique benefits and experiences we offer crew are authentic to their lived experiences, are personally and professionally fulfilling, and inspire crew to bring their best selves to work.



Our enterprise DEI strategy

Accountability

Being a truly inclusive organization requires everyone to be accountable. The integration and penetration of DEI through all levels and functions of the organization are vital to our approach.

Our DEI team partners with business leaders across the enterprise to ensure each division and region has an action plan that includes DEI acumen-building, equitable approaches to talent processes, and targeted interventions that address local themes.



Accountability highlights

Executive focus

Our DEI efforts and our broader talent strategy are key priorities for Vanguard’s board of directors. Progress toward our representation and inclusion aspirations is among the key performance indicators that impact enterprise compensation pools and levels.

Vanguard’s CEO and managing directors serve as our DEI Executive Council. In this capacity, the team governs the enterprise strategy and is accountable to the board of directors for tracking progress and achieving our aspirations.

Vanguard’s global head of DEI & Community Stewardship leads a multifunctional team of strategists, consultants, and specialists that evolves and executes the firm’s enterprise strategic plan.

Regional and divisional governance and local action planning

Divisional DEI councils and regional DEI councils in the Americas, Australia, and Europe oversee and execute local DEI action plans to support departmental and regional needs and drive enterprise goals. These councils are chaired and sponsored by Regional Executive Leaders.

These teams are role models and change agents who serve as vocal and visible advocates for DEI efforts, providing context and driving local, targeted accountability for progress. These councils enable DEI activation through the middle of the organization, a critical place for progress and sustainability. They also serve as valuable feedback mechanisms as the DEI strategy evolves.

Measurement and analysis

Our data reporting and analysis capabilities provide rich enterprise insights that have enabled more targeted strategies and tactical execution. We’ll continue investing in our DEI data and analytics infrastructure and implementing systems that create greater accountability and ownership for outcomes among crew and leaders.

Performance management

“Cultivate difference” is one of the competencies that make up our five-part performance standard. This is a critical part of the accountability we seek to drive and makes clear our expectations of leaders and crew to build diverse teams and foster an inclusive culture.



John James
Managing Director,
Vanguard Institutional Investor Group

“ Making progress through everyday actions is how I hold myself personally accountable. Simple skills—listening, asking questions, empathizing, and creating a trusting team environment—are critical to success. I am seeking what is being unsaid that could be impacting the environment. I also look for feedback on my own leadership to ensure I’m not overlooking my own knowledge gaps or misperceptions. Finally, I hold my team members accountable by understanding what they are doing to drive an environment that gives all colleagues the best chance of individual success. No cliques are allowed. This is not only important for Vanguard, it is just as important to our clients.”

**Focusing on
the inclusion
of all**

TAKING A HOLISTIC APPROACH TO DEI





Focusing on the inclusion of all



Focusing on the inclusion of all

We've historically measured progress toward greater inclusion through an annual crew engagement survey. Recently, we've evolved our process with the launch of a more dynamic global crew listening infrastructure that enables us to take a more comprehensive assessment of crew sentiment on inclusion.

We survey all crew and invite them to share their thoughts on a variety of things that impact their work experience—particularly their sense of belonging, their ability to be authentic, their ability to leverage all their talents, and their comfort level with safely sharing their concerns with leaders. The results form the basis for local action planning, and we drive accountability for improvement in inclusion sentiment.

Although our efforts to improve representation are focused on women and people of color, our overall DEI strategy includes all diversity dimensions. This includes age, cultural and socioeconomic background, disability status, family status, gender identity, veteran status, national and regional origin, race, sexual orientation, and religious beliefs.



Focusing on the inclusion of all



Inclusion highlights

Sharpening our focus

Our current data on the race and ethnicity of our workforce only includes our U.S.-based crew. In recent years, we launched a voluntary self-identification campaign to enable our crew outside of the U.S. to identify their ethnicity. All crew also have the option to share their sexual orientation, gender identity, and military status through the self-identification program. We have seen significant progress in crew uptake on providing this data and are encouraged that this will continue. Gaining a clearer picture of our global workforce demographics will enable us to refine our enterprise strategy and better address the needs of our crew.

Research and dialogue

In 2022, we hosted an enterprise dialogue on engaging white males in the DEI journey. The event was based on the research findings of Seramount—a professional services and research firm that seeks to advance DEI in the workplace. It brought together a diverse group of thousands of crew who joined to support best practices in engaging white males in advancing DEI.

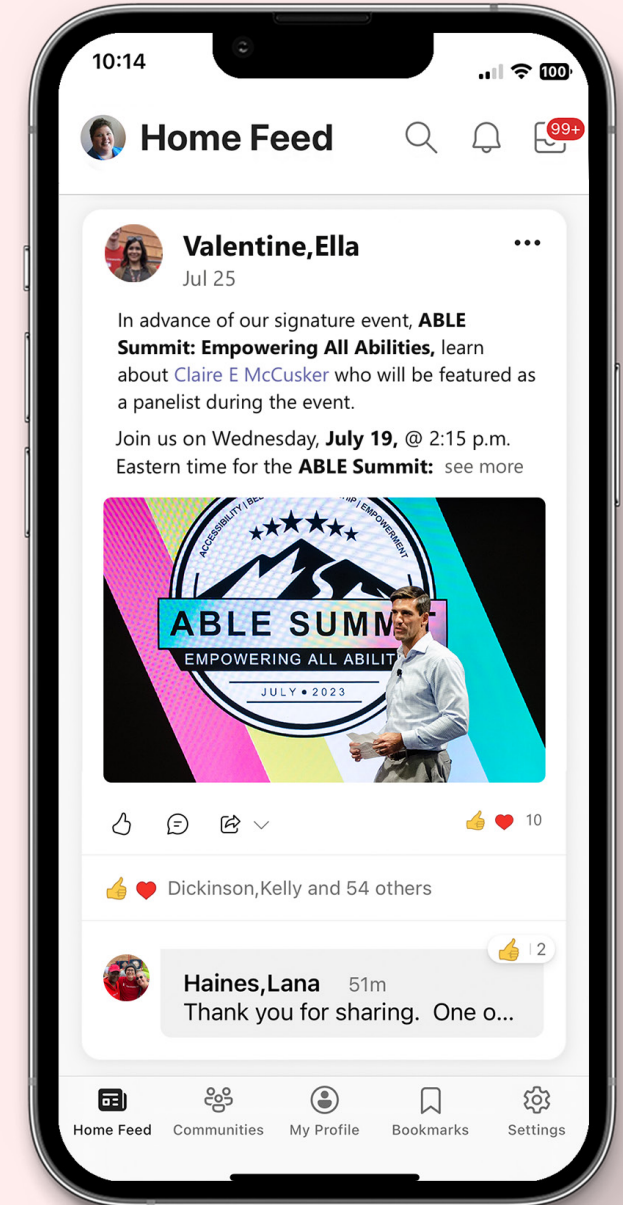
Inclusion through access

Our Accessibility Office, established in 2016, works to create a more inclusive environment for crew with disabilities and seeks to ensure that Vanguard information and functionality are accessible to clients and crew regardless of visual, auditory, motor, color perception, or cognitive abilities.

Visible and invisible differences

Our ABLE (Accessibility, Belonging, Leadership, Empowerment) crew interest group works to empower crew with visible and invisible disabilities or conditions, including our neurodiverse crew, and those serving in caretaker roles.

In Europe and Australia, crew have established communities that foster an environment where crew feel comfortable discussing mental health and know whom to contact if they need support. A similar crew community has formed in the U.S. and aims to shed light on mental health challenges and promote healing.



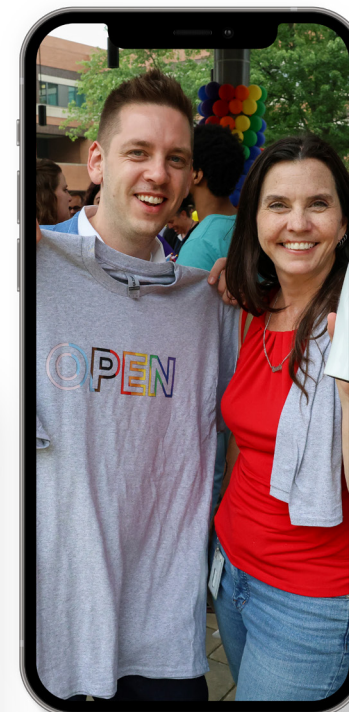
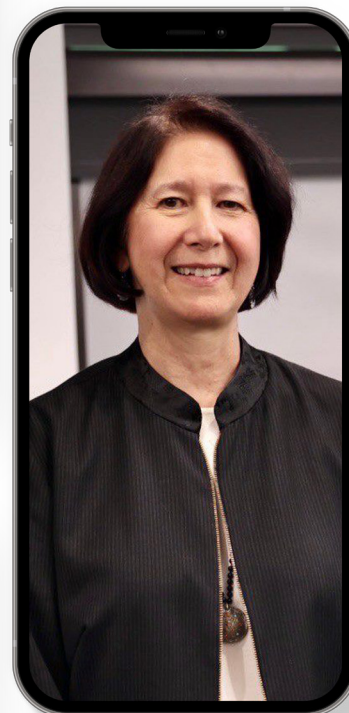
Fostering belonging through global crew groups

One of the ways Vanguard fosters an inclusive culture where all crew feel they belong is through our global crew resource groups and crew interest groups.

Our crew resource groups (CRGs) and crew interest groups (CIGs) celebrate our crew members' unique identities, provide supportive spaces for crew to form meaningful connections, and support personal and professional growth for crew.

CRGs and CIGs work alongside our HR organization to provide leadership development and acumen-building, serve as ambassadors to prospective talent, host cultural and heritage learning opportunities, facilitate discussions on current events, and provide community service opportunities to members.

Crew groups are open to all crew, and nearly half of Vanguard crew belong to at least one group. In many cases, the community of supportive allies within each group is larger than the target demographic. In addition, less formal grassroots crew communities leverage crew groups' strategies and tactics to advance our DEI goals, which reflects the spirit of learning and inclusiveness among Vanguard crew globally.





Focusing on the inclusion of all

Global crew groups



BOLD (Black Organization for Leadership and Dialogue) is committed to cultivating Black engagement at Vanguard by encouraging Black crew to harness their unique strengths, by making space for them to share their perspectives and raise their voices, and by ensuring they have opportunities and support to succeed in their careers and beyond.



OPEN strives to create an environment where Vanguard's LGBTQIA+ crew are empowered to be themselves and thrive professionally. OPEN cultivates a safe and supportive community, provides space for professional development and education, fosters active allyship, and advocates to enhance the experience of LGBTQIA+ crew.

ABLE

ABLE (Accessibility, Belonging, Leadership, Empowerment) is committed to advancing Vanguard as a welcoming and accessible place for every BODY and every MIND by providing a crew community focused on education, storytelling, and allyship.



HOLA (Hispanic/Latinx Organization for Leadership and Advocacy) works to elevate the experience of Vanguard's Hispanic/Latinx crew, celebrate their cultures and their contributions, and build community. HOLA inspires, engages, and activates Hispanic/Latinx crew and allies, providing support, professional development, and crew advocacy.



VetsConnect drives Vanguard's mission by building a community of veterans, families, and friends. This group helps recruit veterans to Vanguard, strengthens camaraderie through events and celebrations, organizes volunteer opportunities, and supports veteran crew with professional development and mentorship programs.

BAME Europe

BAME Europe (Black, Asian, and Minority Ethnic Network) seeks to enhance the experience of BAME crew and potential job applicants through advocacy, allyship, education, and engagement.



LEAP (Lifting and Empowering Asian Professionals) is committed to enhancing the experience of Asian crew at Vanguard and cultivating their advancement through education, community, advocacy, and professional development.



WILS (Women's Initiative for Leadership Success) aims to create a supportive, inclusive community and help women at Vanguard grow toward their leadership aspirations. WILS, our longest-standing CRG, equips, engages, and empowers members through events, unique development resources, and rich conversations.



Focusing on the inclusion of all



Mayolo Ortiz

Marketing Manager, Vanguard Mexico

“ In the Latin America office, we are always trying to spread the word on how incredible the crew from LatAm are and to share how we are building this success story of bringing Vanguard to Latin America. A good example is our collaboration with HOLA. I'm the Mexico lead for HOLA, and we are trying to find ways to be more active and share knowledge about how we operate the business from our only true Latin American office.”



Meg Ciesielka

Senior Marketing Manager, Vanguard Institutional Investor Group

“ I found that it's beneficial to be upfront about my cognitive challenges with my team. If others know, they're much more likely to be patient and understanding. I was so pleased to see that ABLE was formed. According to the CDC, 25% of adults have some type of disability. That's a big number! My hope is that ABLE will raise awareness of all types of disabilities—both visible and invisible—and provide an outlet for those with disabilities to share and feel that they're not alone in their journey.”



Focusing on the inclusion of all

2022 crew group impact at a glance



nearly

50%

of crew belong to at least one CRG (10K)



nearly a

10%

increase in membership from 2021



150+

serve as sponsors and leaders of CRGs and related activities



250+

CRG-sponsored events





Focusing on the inclusion of all



Becky Bond

Head of Marketing, Europe, Former WILS Europe Co-Sponsor, BAME Europe Co-Sponsor

“ I’ve come to know many amazing women at Vanguard over the years and I’m so proud to call them colleagues. Fundamentally, we are part of WILS because we want to support one another and because we believe this isn’t a zero-sum game where one side, gender, or community has to lose if the other wins. All boats can rise together. No woman gets to where she is without a crowd of supporters and enablers behind her—and those supporters and enablers can be both men and women. And I think, importantly, they *have* to be both men and women. Ultimately, we’re in this to shape our workforce for the better.”



Jason Nixon

IT Delivery Manager and Former OPEN Australia Co-Lead

“ I’ve heard it said that I wear my heart on my sleeve at work. I really love that because by doing that, by sharing personal aspects of myself, it encourages those around me to share aspects of themselves. I learn more about others, and I get to know the people I work with really well. Whilst I am very open at work, this wasn’t always the case. It took growing up and maturing to realize that being different is something to be cherished.”



Focusing on the inclusion of all

***Strangers at Home* uncovers the experiences of Asian professionals**

Vanguard is a proud sponsor of Coqual's 2023 research into complexities of the experiences of Asian, Asian American, and Pacific Islander (A/AA/PI) employees.

Coqual's research

Challenges the narrative that there is a monolithic Asian experience and stresses the importance of disaggregating the experiences of the Pacific Islander community.

Raises awareness of the barriers to professional advancement for members of the A/AA/PI communities.

Uncovers the ways in which A/AA/PI employees experience microaggressions in the workplace, which affirms Coqual's commitment to DEI and growing the workforce of the future.

The Coqual report offers organizations a three-step framework for supporting A/AA/PI employees

Audit

Understand A/AA/PI employee experiences and review talent processes for inequities.

Awaken

Design thoughtful conversations about racism with employees.

Act

Build solutions with accountability at their core.



“ We are grateful to partner with Coqual's Vice President of research Dr. Sy Stokes to share these illuminating insights and solutions for addressing the unique barriers A/AA/PI professionals face.

Jayesh Gopalji

Principal, Global Head Investment Shared Services, Co-Lead for LEAP

Addressing equity beyond our walls





External engagement

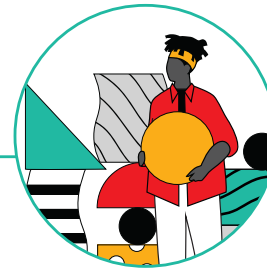
Vanguard's commitment to DEI doesn't stop at our front door

Working for the greater good is ingrained in our culture, and we're passionate about driving meaningful progress toward equity.

We promote equity in child care and early education through our philanthropic and volunteerism efforts, we activate it in our supply chain, and we're nurturing it in our client experiences.



Community



Supplier diversity



Inclusive client experiences



External engagement

Community

As part of our commitment to integrating DEI into the ways we engage the world around us, we've taken steps to strengthen the communities in which we live and work. Our Community Stewardship work includes our signature initiative—Vanguard Strong Start for Kids™, which focuses on early childhood education—along with other philanthropic and volunteer programs.





Community investments benefit a diverse range of causes

Investing in equitable access to early childhood education

Vanguard Strong Start for Kids is an enterprise charitable initiative supported by generous crew contributions along with our corporate match and additional corporate dollars. The program, which has raised more than \$70 million since its inception in 2016, is driven by decades of research demonstrating that high-quality, evidence-based investments made in the first few years of a child's life lead to measurable and lifelong cognitive, emotional, and economic benefits.

Children growing up in poverty are at a major disadvantage, and children of color are disproportionately impacted by poverty. Since its inception, the Strong Start portfolio has dedicated more than **52%** of its funding toward intentional approaches to supporting early-learning equity.

Strong Start has made grants that seek to improve disparities among children of color so that all young children benefit from equitable access to a robust ecosystem of support.

More than **\$12 million** of the program's portfolio is invested in supporting high-quality organizations led by people of color.

For example, we support the convening of child care providers to develop practices and policies that ensure racial equity is embedded in all aspects of child care quality improvement, including program development, business development, and the definition of quality.





Community investments benefit a diverse range of causes

An expanded focus on social equity

Our commitment to addressing social disparities includes the strategic integration of outcome-driven philanthropy, high-impact employee volunteerism, and company expertise to strengthen local communities. Since 2020, **The Vanguard Group Foundation** has awarded millions to charitable organizations working on a range of issues, including community advocacy, social justice, and education. Other community investments benefit a diverse range of causes, including food insecurity, human services, and financial literacy.

Vanguard's My Classroom Economy® is an interactive program powered by volunteers that enables any educator to teach children financial literacy through fun, experiential learning.

This free program has reached more than one million students, and 86% of educators have found the program to be effective in improving student financial responsibility. As My Classroom Economy seeks to make financial literacy available for all classrooms and communities, the program launched a fully digital experience in 2023. The [new digital experience](#) enables teachers to customize the "economy" within their classroom to reflect the communities in which they live.

Crew-led volunteerism

Our company also offers a range of opportunities and company incentives for our crew to engage in local communities, including a generous employee matching gift program, nonprofit board leadership, training, and skills-based volunteerism opportunities. Over the past year, we've supported our Crew Resource Groups by identifying strategic partnerships with local nonprofit organizations that enable our crew groups to deepen Vanguard's community impact. For example, over the past year, our BOLD CRG developed a long-term relationship with the School District of Philadelphia that includes mentorship for high school students interested in pursuing careers in the financial industry.



Aldustus (A.J.) Jordan

Head of Community Stewardship and President of the Vanguard Group Foundation

“ One of the most appealing aspects about joining Vanguard is the crew-centered and highly collaborative team culture. We are uniquely positioned as a company that can harness the passion and talents of our crew, philanthropic resources, company expertise, nonprofit partnerships, and effective storytelling to enhance the lives of children and families.”



External engagement

Supplier diversity

We're on a multiyear journey to partner with a diverse community of suppliers by expanding our efforts to identify underrepresented suppliers and encouraging all our supplier partners to do the same in turn.





We strive to ensure that a diverse community of suppliers have an equal opportunity

Improving outcomes through a diverse supply chain

A diverse community of suppliers encourages innovation and improves the resiliency of our supplier network. We've recently enhanced our processes to ensure a diverse community of suppliers are considered in new business opportunities and to improve how we track existing relationships with suppliers owned and operated by people of color, people with disabilities, members of the LGBTQIA+ community, women, and veterans. Also, our program extends beyond the impact of our direct suppliers, by encouraging our suppliers to promote the use of a diverse community of suppliers within their supply chains.

The number of underrepresented suppliers we are tracking within our supplier base has more than doubled, and we increased our spend with these suppliers by **25%** from 2021 to 2022.

Looking ahead, we're investing in tools that will enable us to systematically measure and report on our program impact and increase our momentum over the long term.

Driving greater diversity within our investment teams

We recognize that funds managed by diverse investment teams have been proven to outperform their peers.* We're committed to driving greater diversity within Vanguard's internal investment teams and with our external subadvisory partners. Through our Manager Diversity program within the Vanguard Portfolio Review Department, we engage with our investment partners on their diversity-related strategies.

We also remain committed to enhancing our diverse manager search efforts. We're focused on building a more inclusive manager search process, including the use of diverse slates for new searches. In addition, we continue to survey our investment partners and refine our approach to engaging with our external managers. Our annual survey, now in its third year, helps us deepen engagement with our managers on their strategic DEI efforts and understand the progress they're making to improve representation and inclusion at their firms.

*Source: Vanguard, Diversity Matters: The Role of Gender Diversity on US Active Equity Fund Performance (March 23, 2022), available on SSRN.



Our external DEI commitment: Profile

The addition of a Black-owned investment firm bolsters Vanguard's roster of external advisors

When Vanguard's Oversight and Manager Search team within our Portfolio Review Department selects new external advisors, it prioritizes an inclusive manager search process.

That process led to the addition of **Ariel Investments, LLC**, to Vanguard's distinguished roster of world-class active managers in 2022. Ariel joined Cardinal Capital Management, L.L.C., and Frontier Capital Management Company, LLC, in overseeing Vanguard Explorer™ Value Fund.

Ariel is an established investment manager headquartered in Chicago. Founded in 1983 by John Rogers, Ariel became an industry trailblazer by being the first Black-owned mutual fund company in the United States.

Ariel has evolved into a global asset manager that offers a range of investment strategies seeking attractive intrinsic value through relatively concentrated portfolios.



“ Vanguard continuously seeks out leading investment firms that demonstrate the expertise, diversity of thought, and accountability needed to drive successful outcomes for investors. We believe that Ariel's talented portfolio management team and patient approach to investing complements the fund's strategy and existing advisors.

Dan Reyes
Head of Vanguard Portfolio Review Department



External engagement

Inclusive client experiences

When investors consider trusting Vanguard to manage their assets, we want them to feel represented, valued, supported, and served. With that in mind, we're working to ensure that our products, services, education, and communications reflect the diverse population of investors we serve.





Serving an increasingly diverse client base

For a variety of reasons, the journey to retirement success is difficult for many workers, especially those from underrepresented groups. To help offset these factors, our Institutional Investor Group (IIG) has invested in products, services, and experiences that help a diverse range of U.S. workers reach their retirement goals.

We have built an equity-centered financial wellness program, which offers education, guidance, and tools that can address disparities that disproportionately affect women and people of color.

The program offers a suite of services including student loan management tools, emergency savings guidance, financial education services, and guidance on health savings options. IIG has also invested in its call center to meet the needs of the diverse population of retirement plan participants we serve. Our call center and support teams have been enhancing training to address language and cultural differences, avoid

bias, and recognize each person and their circumstances with respect. The team is also enhancing its communications to make them more relevant and accessible to diverse audiences.

Looking ahead, our Retirement business is committed to conducting ongoing research to evolve our services and offerings.

Quantitative and qualitative studies have been organized and funded to help us and our retirement plan sponsor partners understand the diverse outcomes and needs of the varied audiences we serve.

In addition to these efforts, our Global Marketing group recently began a multiyear effort to better understand and engage with underrepresented audiences within our other client-facing divisions. We look forward to providing more information about this effort in the future.

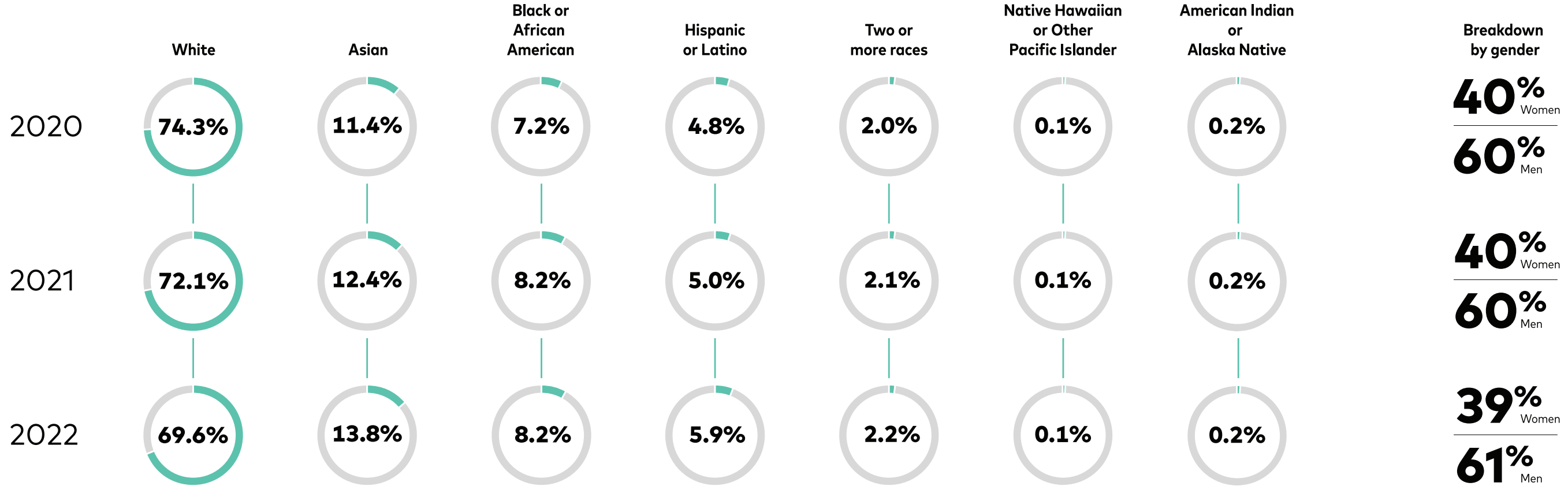
Examining our
workforce:
Representation
data





The Vanguard workforce (overall)

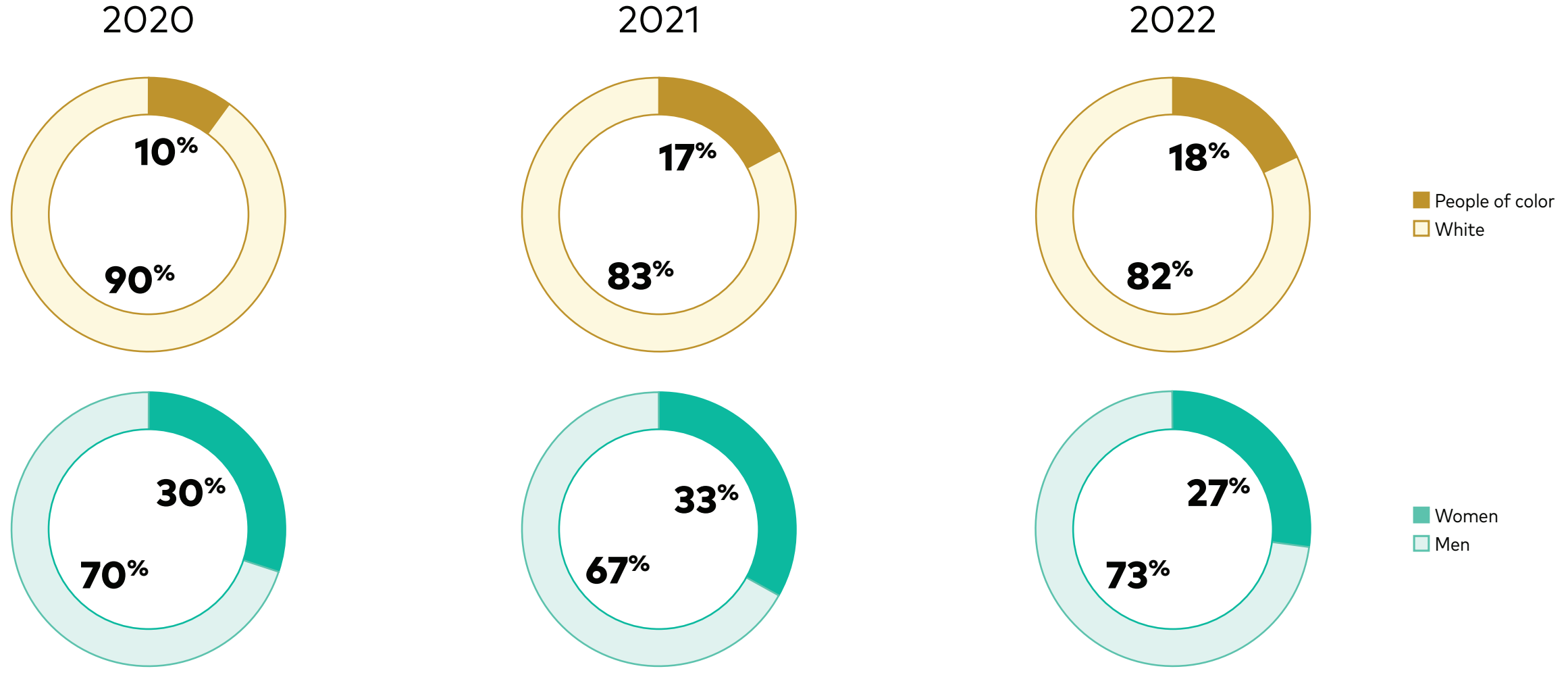
Race/Ethnicity (U.S.) and gender (global)





Our board of directors

Race/Ethnicity (U.S.) and gender (global)





An overview of key leadership groups

Race/Ethnicity (U.S.) and gender (global)

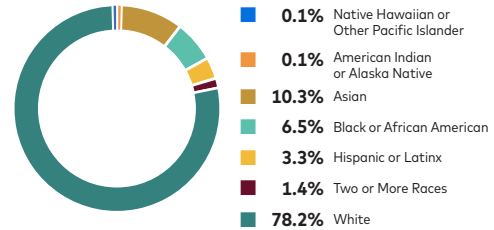
2020

2021

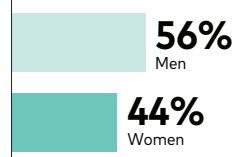
2022

Leadership

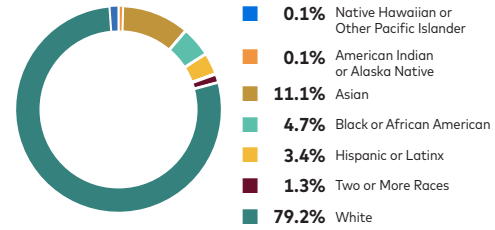
Race/Ethnicity (U.S.)



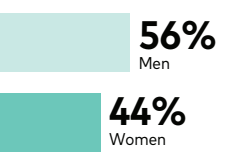
Gender (global)



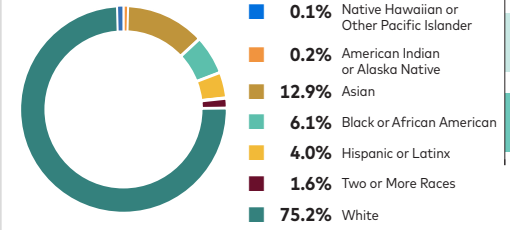
Race/Ethnicity (U.S.)



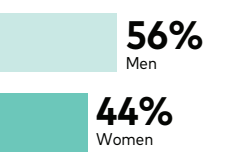
Gender (global)



Race/Ethnicity (U.S.)

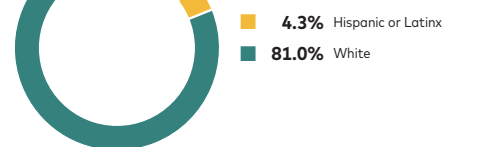


Gender (global)

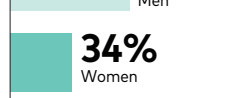


Principals

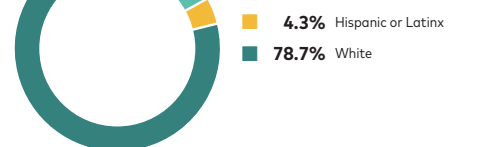
Race/Ethnicity (U.S.)



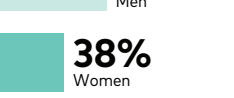
Gender (global)



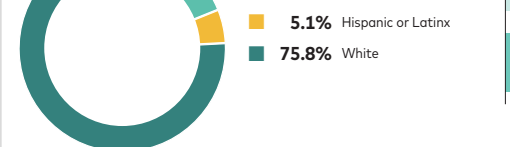
Race/Ethnicity (U.S.)



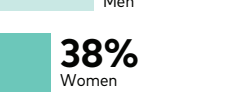
Gender (global)



Race/Ethnicity (U.S.)



Gender (global)



Executive management

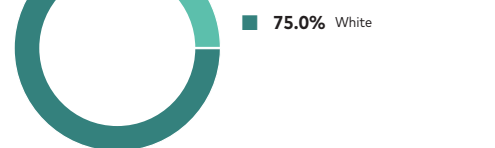
Race/Ethnicity (U.S.)



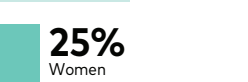
Gender (global)



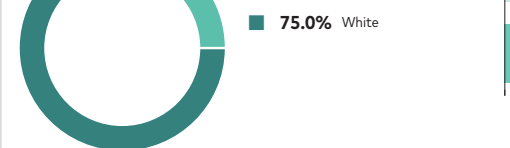
Race/Ethnicity (U.S.)



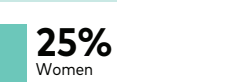
Gender (global)



Race/Ethnicity (U.S.)



Gender (global)



Due to the impact of rounding, sums may not total 100%.

Vanguard investment management teams

Race/Ethnicity among Investment Analysts and Portfolio Managers

US racial/ethnic representation	Investment analysts	Portfolio managers	Total size	2021-2022 year-over-year percentage point change
Asian	29.1%	11.6%	25.0%	2.7
Black	4.1	1.9	3.6	1.5
Hispanic/Latinx	3.1	4.6	3.5	0.1
American Indian or Alaska Native	0.0	0.0	0.0	-0.1
Native Hawaiian or Other Pacific Islander	0.0	0.0	0.0	0.0
Two or More races	2.5	0.9	2.2	0.5
Other	0.4	0.5	0.4	-1.1
White	60.8	80.6	65.4	-3.6
Grand total	100.0	100.0	100.0	

Global gender representation	Investment analysts	Portfolio managers	Total size	2021-2022 year-over-year percentage point change
Women	24.6%	21.0%	23.7%	0.4
Men	75.4	79.0	76.3	-0.2
Grand total	100.0	100.0	100.0	

Data represents aggregated internal investment management teams and 21 of 25 aggregated external subadvisory investment management teams, which includes portfolio managers and investment analysts. Due to the impact of rounding, the sums are slightly higher than 100%.

— — — — — ■

**Signals of
positive
progress and
the journey
ahead**





Signals of positive progress and the journey ahead

Our influence and efforts have been recognized

At Vanguard, our standards of success are based on helping investors achieve financial security, being an employer of choice, and being a force for positive change in the communities in which we operate.

We're proud of the recognition we've received, but we're even more proud of the partnerships and alliances we've engaged in to drive sustainable change. To the right are a few samples of our recent recognition.

Since 2020, Vanguard has committed to the HBCU Partnership Challenge—launched by the Congressional Bipartisan HBCU Caucus—by continuing to create and develop strategic partnerships with Historically Black Colleges and Universities. The Bipartisan HBCU Caucus believes it's critical to focus on HBCU students and the schools they attend to achieve diversity in the nation's workforce.

Since 2021, Vanguard has been a supporting company of Ascend's Action Agenda and committed to supporting the 5-Point Action Agenda to promote inclusion and stand together in collaboration to address the adverse impacts of the COVID-19 pandemic.



Human Rights Campaign

2023 Equality 100 Award



Disability Equality Index

2023 Best Place to Work for Disability Inclusion



U.S. Veterans Magazine

2023 Best of the Best



Seramount

2023 100 Best Companies for Multicultural Women



Seramount

2023 Leading Inclusion Index Company



Seramount

2023 100 Best Companies for Executive Women



Seramount

2023 100 Best Companies



Australian Government's Workplace Gender Equality Agency

2023 Employer of Choice for Gender Equality



Signals of positive progress and the journey ahead

Barron's 100 Most Influential Women in U.S. Finance

Vanguard leaders Sara Devereux, Janel Jackson, and Karin Risi were named to Barron's 100 Most Influential Women in U.S. Finance 2023 list, which recognizes women who are shaping the modern financial services industry.



Sara Devereux

Principal, Global Head of Fixed Income Group



Janel Jackson

Principal, Global Head of ETF Capital Markets and Broker & Index Relations



Karin Risi

Managing Director, Strategy, Product, Marketing & Communications



Signals of positive progress and the journey ahead

In the U.K., pledges, commitments, and collaboration drive greater representation in the investment industry

Women In Finance Charter

We remain committed to gender diversity in senior leadership.

Race at Work Charter

We made a public commitment to improving equality of opportunity in the workplace by ensuring that ethnic minority employees are represented at all levels in their organization.

The Diversity Project

We have representatives on the steering committee with this investment industry body working to champion a diverse and inclusive U.K. investment and savings industry.



The journey continues

This report offers a look at our DEI strategy and efforts thus far. While we're proud of all we've accomplished, we acknowledge this is an ongoing journey and there's no finish line.

We'll continue to challenge ourselves to further embed DEI into our DNA, to pursue opportunities to better engage investors and suppliers from diverse communities, and to drive change in our industry and local communities.

Vanguard[®]