

## DAVITA INC.

### Policy on Fair and Equitable Pay<sup>1</sup>

At DaVita, we are guided by our Mission—to become the provider, partner and employer of choice—and a set of Core Values—Service Excellence, Integrity, Team, Continuous Improvement, Accountability, Fulfillment and Fun—which are reinforced at all levels of the organization. Our teammates share a common passion for improving patients’ lives and are the cornerstone for the health of our Village. We are committed to pay equity not only due to its fundamental alignment with our Core Values, but because it is essential to our ability to attract, retain and motivate the highly qualified and diverse teammates upon which our future depends. As a top employer in the healthcare industry, we recognize that a sound compensation process is a big part of what makes DaVita an employer of choice and ensures that we provide fair and equitable pay to our teammates.

#### Pay Practice Highlights

Fair and equitable pay is integral to our commitment to our teammates, and this commitment is shared by our executive team and Board of Directors. Our policy is to employ, retain, promote and otherwise treat all teammates on the basis of merit, qualifications, and competence, and this policy is applied without regard to a teammate’s gender, race, or any other protected characteristic.

- When we hire talent, our policies prohibit our recruiters from making compensation inquiries of US job applicants or considering their compensation history when setting starting pay. Our recruiters and leaders develop compensation proposals based on the candidate’s qualifications and experience, the scope and difficulty of the role, internal equity and local market rates to be competitive.
- We have robust processes for assessing teammates’ performance and pay, which are reviewed annually. Performance is calibrated across the company to help avoid the impact of any subconscious bias and pay adjustments are based on factors such as performance, degree of difficulty of the role, internal equity and the market.

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<sup>1</sup> Unless otherwise noted, all data as of March 31, 2019

- We conduct regular external benchmarking studies to stay apprised of compensation trends in our talent markets and to ensure compensation reflects the value of the job, consistent with the market.
- We partner with an external law firm and their compensation analysts to regularly review our pay practices and compensation structure for potential pay disparities across gender and race/ethnicity. If any pay disparities are found that can't be explained by factors such as location, degree of difficulty, experience level and performance, we are committed to making appropriate adjustments.

This thorough and integrated approach ensures that we proactively manage pay equity on an ongoing basis, and helps us to satisfy our heightened obligations as a federal contractor. We are confident that our processes and procedures for assessing pay practices and compensation structure ensure equitable pay for our teammates, including with respect to gender, race and ethnicity.

We have several avenues through which teammates may raise concerns, anonymously if they wish, about any issue including their pay. These avenues include, but are not limited to, our Compliance Hotline, Teammate Support Center, management and People Services representatives. We have a dedicated hotline and e-mail available 24/7 for teammates to report concerns anonymously by telephone or online. We prohibit retaliation of any kind against anyone who, in good faith, raises concerns.

We also solicit teammate feedback via an anonymous quarterly survey, The DaVita Pulse, which helps us better understand teammate sentiment about our workplace and compensation practices. The DaVita Pulse survey results are rigorously reviewed at all levels of our organization to identify and address opportunities to enhance teammate experience.

### **Equal Opportunity Creation Highlights**

At DaVita, we believe we're a community first and a company second. This is reflected in our Core Values, culture and reference to ourselves as a Village. We strive to care for each other with the same intensity that we care for our patients by celebrating the unique experiences and perspectives of our teammates and enabling teammates to bring their full skills to our Village. In addition to our emphasis on pay equity, our robust portfolio of career development programs promotes equal opportunity creation for our inherently diverse organization (77% women and 49% ethnically diverse). Examples of programs that provide opportunities for teammates to join our Village and to thrive in their careers and thereby increase their earnings opportunity include:

- **Bridge to Your Dreams**. Fully-funded tuition and support for Patient Care Technicians to become DaVita nurses upon successful completion of the program
- **THRIVE**. Development program to put nurses on trajectory to becoming field operators
- **Foresters**. Continuous talent and career pipeline for Facility Administrators to become Regional Operations Directors
- **Diverse Hiring Practices**. Guidelines for sourcing channels, diverse interview panels and diverse candidate slates

### **Commitment to Diversity & Belonging**

Diversity and belonging practices are embedded into our programs and processes to promote equal opportunity for all teammates. We enable all leaders to champion diversity and belonging by engaging in dialogue and taking action locally to increase teammates' sense of belonging in our Village. We view diversity and belonging as complementary and critical to our leadership and development pipeline efforts in identifying the most qualified candidates.

Our ongoing commitment to diversity and belonging has been recognized by leading organizations.

- DaVita has been named one of 230 companies recognized in the 2019 Bloomberg Gender-Equality Index (GEI) for its demonstrated commitment to gender equality.
- DaVita Kidney Care CEO, Javier Rodriguez, is one of 550 CEOs of the world's leading organizations to sign the CEO Action Pledge for Diversity and Inclusion. Participating organizations pledge to:
  - Continue to make our workplaces trusting places to have complex, and sometimes difficult, conversations about diversity and inclusion;
  - Implement and expand unconscious bias education; and
  - Share best – and unsuccessful – practices on diversity and inclusion

### **Leadership & Oversight**

We are proud of the fact that 78% of our clinics are led by women and our senior management is comprised of 46% women<sup>2</sup>. Multi-cultural women

represent 41% of our workforce<sup>2</sup>. We also are proud of the fact that our Board of Directors is comprised of 30% women and 20% racial/ethnic minorities.

Pay equity is a focus at the highest levels of DaVita. Our Chief Executive Officer as well as our Board of Directors are committed to providing fair and equitable pay to our teammates and will receive reports on pay equity.

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<sup>2</sup> Bloomberg Gender Equality Index September 2018 submission; senior management defined by Bloomberg as within two levels of the CEO