

Report of the FOX News Workplace Professionalism and Inclusion Council dated December 23, 2019

Introduction and Background

Since its last report on June 13, 2019, the FOX News Workplace Professionalism and Inclusion Council (the “WPIC”) convened three times pursuant to the WPIC’s Charter: (1) on December 12, 2019, the WPIC held its second of two annual meetings with the Chair of the Nominating and Corporate Governance Committee of FOX News’ parent company (“NCG Chair”); and (2) on July 23, 2019, September 4, 2019, and December 12, 2019, the WPIC held the remaining three of its four regular annual meetings at FOX News. WPIC members Kevin Lord, Executive Vice President of Human Resources, Fox Corporation; Lily Fu Claffee, Executive Vice President & General Counsel, FOX News; Sylvia Hewlett, Author & Chair Emeritus, Center for Talent Innovation; the Honorable Barbara Jones, Partner, Bracewell LLP; Virgil Smith, Principal Consultant, Smith Edwards Group LLC; and Brande Stellings, Principal, Vestry Laight LCC, attended each meeting. As of the date of this report, the WPIC has completed all of the meetings prescribed for it in 2019 by the WPIC’s Charter.

Regular WPIC Meeting on July 23, 2019

On July 23, 2019, the WPIC had a regular council meeting. As the meeting began, the WPIC expressed that it was very pleased and impressed by the tour of the FOX News facilities that occurred during the April 1, 2019 meeting, and that the tour exceeded their expectations.

Marsheila Hayes, Vice President, Diversity and Inclusion, Fox Corporation, then spoke about FOX News’ Diversity & Inclusion efforts, in particular the Colleague Network & Resource Groups (“CNRGs”) the company has created. CNRGs are employee-led affinity groups that bring together employees with common interests and issues. The goal of these groups is to promote a more inclusive work environment with current employees, and CNRGs are also valuable tools to assist in recruiting and retaining diverse employees. Ms. Hayes noted that CNRG teams were reestablished following the Walt Disney Company Transaction in 2019, and that significant time and resources were devoted to the success of the seven refreshed groups across all FOX locations. This included, among several other things, rebuilding the boards of each group and procuring sponsors. Notably, the company was successful in having senior leadership serve as executive sponsors for some of these groups, including the FOX News CEO, Suzanne Scott, holding that role for Women@FOX.

Next, at the request of the WPIC (as described in its June 13, 2019 report), FOX News presented a two-part report containing quantitative and qualitative data

surrounding employee complaints of gender-based discrimination and harassment at FOX News. In part one of the presentation, after working with outside WPIC members to define the scope of the data, Mrs. Claffee worked to compile a comparison and analysis of anonymized gender-based (including sexual orientation-based) employee complaint data for the calendar years 2015 and 2018. The WPIC noted that the total number of complaints found to have been reported, after an exhaustive search, was very low overall, and that therefore, it was difficult to draw definitive conclusions from the data. Despite the small universe of data, Mrs. Claffee noted that the number of complaints doubled in 2018 over 2015, even though headcount remained steady. In addition, Mrs. Claffee noted that the number of negotiated exits by complainants following their complaints fell significantly. Mrs. Claffee opined that the WPIC could reasonably conclude from these two statistics that FOX News employees felt more comfortable in 2018 than in 2015 to complain, and were more likely to stay to continue their careers following a complaint in 2018 than in 2015. Importantly, Mrs. Claffee and Mr. Lord discussed recent improvements in how FOX News tracks and categorizes complaints, so that future data analysis will be less labor intensive and more precise.

In part two of the presentation, Denise Collins, Senior Vice President, Human Resources, FOX News, who has been with FOX News since 2000 and has a wealth of institutional knowledge of the organization and its people, provided her qualitative perspective on the differences at FOX News before and after the new management team was put in place in 2017. Ms. Collins emphasized how the new CEO, Suzanne Scott, has made it a point to be more visible and transparent in terms of the FOX News mission. Among other things, Ms. Scott holds quarterly town halls where she speaks to the entire employee population, and stays in the office late at least one night each week so employees who work on the overnight shift will have access to her. Ms. Collins noted that this transparency was a stark contrast to the prior management. Other steps taken under Ms. Scott's leadership include hiring a dedicated HR leader for the news bureaus and broadly expanding the HR team overall; instituting sensitivity training, performance management training, and a mentor program; and moving the newsroom from the basement to a state of the art facility on the 2nd floor. Ms. Collins also spoke about the low turnover rate at FOX News, where there are many employees who have been with the company for 10 years, 20 years, and more. This continuity contributes to the teamwork and loyalty among co-workers. In response to questions from the WPIC, Ms. Collins stressed the importance of informing employees (through training and otherwise) of the various avenues employees have to lodge complaints, and demonstrating that HR will hear the employee's complaint and investigate it promptly and thoroughly. Ms. Collins discussed how the new management and the board have empowered her to do her job

along the lines described above. The WPIC found Ms. Collins' presentation very helpful and thanked her for her time.

Regular WPIC Meeting on September 4, 2019

The WPIC had its next regular council meeting on September 4, 2019. This focus of this meeting was a discussion regarding the parameters and structure for an employee survey to be implemented in 2020. Mr. Lord shared formal research on “Dos and Don'ts” for an employee survey and Ms. Hewlett discussed how the importance of measuring and mapping results has grown over the last few years. There was a thorough and robust discussion regarding what the survey should entail, with the WPIC agreeing on the importance of employees being comfortable responding to the survey, which will help the company obtain the best data. There was consensus that anonymity was an important element in this regard. The WPIC also emphasized that since FOX News is a vastly different company now, the survey should also provide insight into FOX News before and after the new management team was put in place. The WPIC concluded that it was essential that any survey the company eventually implements must allow FOX News to benchmark the results against other media companies. The WPIC agreed that it should interview and consider whether an outside vendor should conduct the survey.

Following this productive discussion regarding the survey, Lauren Hallem, Vice President, Employee and Community Engagement, Fox Corporation, stated that she had conducted in-depth reviews of several potential survey partners. Ms. Hallem recommended that FOX News engage *Great Places to Work* (“GPTW”), and presented the WPIC with an overview of what *GPTW* provides. The *GTPW* survey focuses on trust and is tied to fairness, pride, and camaraderie. The survey has a large database of questions from which FOX News can draw. *GPTW* would also allow FOX News to measure the survey results against other companies. The WPIC asked numerous questions about the survey, including how it is administered, what types of questions it entails, and how it can be benchmarked against other companies. Based on this thorough discussion, the WPIC was encouraged and agreed that representatives from *GPTW* would attend the next regular meeting.

Regular WPIC Meeting on December 12, 2019

On December 12, 2019, the WPIC held the final regular council meeting of 2019. Two representatives from *Great Places to Work* also appeared to speak about their product. *GPTW* has conducted approximately 100 million surveys with 7,000 companies in 60 countries. This gives *GPTW* an enormous data set through which survey results can be benchmarked against peers. The foundation of the survey centers on Trust, which is the result of Credibility, Respect, Fairness, Pride, and Camaraderie. The survey also measures not only whether employees stay with a

company (turnover), but also explores whether employees want to give to the company (commitment). The initial survey has 60 core questions that provide baseline results that allow for further, customized inquiry under the guidance of a *GPTW* Customer Success Manager dedicated to FOX News. The *GPTW* representative stressed that the survey is designed to create optimal conditions for employees to be forthcoming and honest in completing the survey. This satisfied one of the goals the WPIC expressed in the September 4 regular meeting. The WPIC had the opportunity to question the *GPTW* representatives at length concerning the details of the survey and came away impressed with the presentation.

Meeting with Fox Corporation's Corporate Governance Committee Chair

Also, on December 12, 2019, the WPIC held its second of two meetings for 2019 with the NCG Chair. The Honorable Paul D. Ryan, Fox Corporation's NCG Chair, joined the meeting via teleconference. The WPIC briefed Speaker Ryan on the progress of the WPIC to date, including that the council has met its Charter goals for 2019. Judge Jones and Mrs. Claffee summarized for Speaker Ryan the two-part report containing qualitative and quantitative data surrounding employee complaints of gender-based discrimination and harassment at FOX News that was presented at the WPIC's July 23, 2019 meeting. Ms. Stellings recounted the council's discussion with Ms. Collins during the July 23 Meeting, including the several steps that have been instrumental in changing the corporate culture. Ms. Stellings also described for Speaker Ryan the tour of FOX News' facility that occurred during the WPIC's April 1, 2019 Meeting. Mr. Lord and Mrs. Claffee next discussed with Speaker Ryan Fox Corporation's new policies and procedures governing complaint handling. Next, Mr. Lord and Ms. Hewlett advised Speaker Ryan about FOX News' plans, developed at the WPIC's July 23, 2019 and December 12, 2019 meetings, to launch the *GPTW* survey. Speaker Ryan thanked the WPIC for its efforts and expressed that he is looking forward to seeing the results of the survey.

Next, Mr. Smith shared his insights on FOX News' recruiting efforts based on external reactions at minority journalism conferences and other venues. Mr. Smith noted that FOX News representatives have been a friendly and outgoing presence at these conferences, excelling with the quality of people sitting on various journalism panels and with popular workshops FOX News hosted. These efforts resulted in an excellent job of rebranding FOX News with journalists of color who are viewing FOX News in a more favorable light. Mr. Smith noted that this active presence at the conferences was a significant change from past years. Speaker Ryan commented on how non-journalism job fairs are a great opportunity for Fox News in recruiting and made several suggestions FOX News could take to broaden its reach into minority communities and to veterans. Speaker Ryan engaged heavily with the WPIC and outlined expectations for the WPIC in the coming year.

Looking Forward

The WPIC will continue to work together to set the agenda and topics to be addressed at future meetings.

In keeping with its Charter, having reviewed FOX News' policies and programs, the WPIC emphasized that the next meeting will focus on continued review of FOX News' complaint procedure process and an in-depth discussion with *GPTW* to formulate and fine tune the survey to be rolled out in spring 2020.

Overall, the WPIC was impressed with the efforts of FOX News in identifying a vendor to conduct the employee survey and with the ultimate selection of *GPTW*. The WPIC looks forward to furthering FOX News' goal of increasing diversity and maintaining a strong culture that is free from discrimination and harassment.