



**FOX NEWS WORKPLACE
PROFESSIONALISM
AND INCLUSION COUNCIL**

CLOSING REPORT
DECEMBER

2022

The FOX News Workplace Professionalism and Inclusion Council (“WPIC”) was created in 2017, in a settlement agreement between Twenty-First Century FOX, Inc. (“21CF”) and its shareholders.¹ In that agreement’s Commitment Statement, FOX obligated itself to a business practice that does not tolerate sexual abuse, harassment, race discrimination, and all other forms of discrimination.

The role of the WPIC has been to provide independent oversight and guidance to ensure that these commitments are met. The first official meeting was held on April 3, 2018, at the New York Offices of 21CF.

Over the past five years, the WPIC has assessed FOX News Media’s (“FNM”) practices and procedures in recruitment, hiring, advancement, and workplace civility. It has reviewed anti-harassment and anti-discrimination training, the adequacy of mechanisms for receiving complaints, and its investigation procedures. The WPIC has made recommendations to FNM management about these areas and, in each case, assessed its response. The WPIC has also reported its findings to the Nominating and Corporate Governance Committee of the Fox Corporation (“FOX”) Board of Directors. Much of the work of the WPIC over these past five years is detailed in the public reports accessible on both the FOX and FNM websites.

The purpose of this final report is two-fold: 1) to share high-level reflections about the factors that contributed to FNM’s progress and the work of the WPIC, and 2) to spotlight progress and significant milestones over the past 5 years.

REFLECTIONS ON THE WORK OF THE WPIC AND COMPANY PROGRESS

Now that our term has concluded, we share several factors that contributed to the FNM’s progress and the WPIC’s achievement of its objectives.

- Commitment and engagement from the top, including the FNM CEO and the FOX Board of Directors.** Consistent with its Charter, the WPIC met regularly with the Chair of the FOX Nominating and Corporate Governance (“NCG”) Committee and the full FOX Board. It is now standard practice for Boards to engage meaningfully on organizational culture, diversity and inclusion, and reports of harassment in the workplace; that was not always the case pre-2017. The NCG Committee here has been deeply engaged, particularly concerning qualitative and quantitative findings. It also did not shy away from asking tough questions. The WPICs data-driven approach has contributed to FOX’s ability to assess its employees’ perceptions and calibrate its solutions surgically and strategically.
- Strong internal control functions, including the FNM HR and Legal teams.** The HR and Legal functions at FNM are led and staffed by very experienced professionals. Most joined the company in 2017 or later; they have overseen the introduction and refinement of robust training, policies (including a revised comprehensive Employee Handbook), and processes for reporting and investigations of complaints. The leaders of these departments also participate regularly in meetings of the FOX Board of Directors.
- Leveraging internal and external expertise for insights and solutions.** A unique aspect of the last five years is the close and sustained collaboration that has been achieved between the WPIC (which comprises four independent external members) and FOX leadership. This “outside-in” perspective creates



L to R: Bernard Gugar, General Counsel & EVP, Corporate Development, FNM; Kevin Lord, EVP HR and Chief HR Officer FOX; Sylvia Hewlett, WPIC Board Member and CEO of Hewlett Consulting Partners and Chair Emeritus of the Center for Talent Innovation; Lauren Hallam, SVP, Human Resources, FOX, Brande Stellings, WPIC Board Member and Principal Consultant, Vestry Laight; Carl Guida, VP, Employment Litigation, FNM; Virgil Smith, WPIC Board Member and Principal, Smith Edwards Group, LLC; Honorable Barbara Jones, WPIC Board Member and Partner, Bracewell LLP; Marsheila Hayes, VP, Diversity & Inclusion, FOX; Angie Reynoso, Associate HR Generalist, FOX

friction – but in this case productive friction that led to robust discussion and an examination of issues and solutions. A foundation of mutual trust was achieved and has been crucial. The collaboration between the internal and external members of the WPIC has resulted in the collection of sensitive quantitative and qualitative data and the creation of an “Inclusion Index” (detailed more fully below). Fielding these surveys resulted in a breakthrough moment and, coupled with FNM’s solution orientation, marks a pivotal moment in FNM’s culture change journey. FOX has also leveraged its internal expertise, including that of its Head of Diversity and Inclusion as well as its Learning and Development team. For example, over one-third of FOX employees currently participate in an Employee Resource Group. Managers – from new recruits to seasoned leaders – also benefit from a suite of learning opportunities, many of which

incorporate elements of inclusive leadership and psychological safety.

- Confronting and addressing hot spots – and celebrating bright spots.** An important lever for culture change is leaning into discomfort. As detailed in prior reports and below, the 2020 employee survey surfaced troubling differences in perception between Black employees and other demographic cohorts. In addition to this hot spot, there were opportunities for improvement in other areas. The FNM team has done an impressive job following up with additional, focused assessments and tailored solutions to improve employee experiences (detailed more fully below and in the 2022 report). Culture is also set by what we celebrate. The launch of the Spotlight Awards in 2021 provides opportunities to celebrate employees across a range of corporate values (detailed below).

¹ *City of Monroe Employees’ Retirement System v Murdoch et al*, Delaware Chancery Court, No. 2017-0833

PROGRESS OF THE WPIC TERM

This final report provides insights on the phases of work, including the results of the 2020 company-wide survey, a subsequent pulse survey, the development of an Inclusion Index, and on-going, data-driven deep dives to ward off the emergence of new hot spots in the FNM culture. In addition, we include brief descriptions of strategies that have been put in place and recommendations for continued assessment and solutions.

A significant achievement of FNM Legal and Human Resources was introducing and conducting Inclusion and Harassment Prevention Training, which focuses on interrupting unconscious bias, and preventing discrimination and harassment. The WPIC offered valuable feedback on making certain aspects of the training more relatable, emphasizing positive behavior that employees should embrace and demonstrate. FNM revised its training materials to incorporate the WPIC's feedback.

During its five-year term, the WPIC met with a range of FNM executives, toured the headquarters building and became familiar with behind-the-scenes work of various teams. This allowed WPIC members to gain a better understanding of what goes into creating the final news product. The WPIC saw first-hand the diversity within leadership, management, and the rank-and-file at FNM, and heard about the opportunities for advancement for women and under-represented employees within the company. The WPIC asked the employees they met about their own professional development within FNM, and noted both a strong entrepreneurial spirit among employees, and extraordinary longevity of many FNM careers.

SPECIFIC MILESTONES

1. Fielding a company-wide employee survey. In late 2019 after much discussion, the WPIC and FNM Human Resources agreed to conduct an employee survey to be administered by Great Places to Work ("GPTW"). There was consensus that a guarantee of anonymity was critical to the survey, to provide employees with a high degree of comfort that their responses would be confidential. It was also agreed that a central focus should be a deep dive into the incidence of sexual misconduct and retaliatory behavior at FNM, and an exploration of the efficacy of the company's complaint procedures and processes. The WPIC collaborated with GPTW and the FNM HR team to formulate survey questions that addressed these and other important issues. One of the many recommendations we produced is that the survey design should permit FNM to benchmark findings against other media companies.

The 2020 GPTW company-wide survey was a great success. It surfaced a great deal of valuable data, produced hundreds of verbatim comments that provided important insight into the corporate culture, and resulted in FNM being certified as a Great Place to Work.

2. Creation of an Inclusion Index. To create a quick and easy way to take a snapshot of the corporate culture and track it through time, the WPIC, in collaboration with the FNM HR team and GPTW, identified a cluster of survey questions that map and measure interactions and behaviors. The idea here is to establish an "Inclusion Index" that can be tracked through time. Such a "Barometer" is immensely useful in determining whether a corporate culture is moving in the right direction. It also provides an early warning system, allowing a company to quickly engage with employees who feel unheard, unseen, or otherwise excluded.

3. Identifying challenges faced by Black employees and other employees. Analysis of the survey results revealed an acute gap in the scores for engagement and the overall experience given by Black and Multi-Racial employees in comparison to all other demographic groups.

4. Immediate responses. In response to these findings, FNM, with input from the WPIC and the FNM Diversity Council, developed a number of follow-up initiatives designed to improve employee experience and ensure that FNM is a Great Place to Work for ALL employees. These efforts were led by CEO Suzanne Scott who asked each of her direct reports to identify and set forth action steps that responded to the findings of the survey.



L to R: Jake Canull, Director, Client Success & Growth, Eskalera; Marsheila Hayes, VP, Diversity & Inclusion, FOX; Dane E. Holmes, Co-founder and CEO, Eskalera; Olympia Crist, Associate, Client Experience & Growth Manager, Eskalera



The WPIC's recommendations centered on a follow-up Pulse survey, the launch of an inclusive-skill building platform, and the roll-out of focus group discussions to drill down into areas of concern. Pulse surveys are short-form and designed to drill down into pockets in an organization that need attention, either because they are hot spots or bright spots. FNM also rolled out an inclusive-skill building platform that upskills employees throughout the organization, helps drive a culture of belonging, and provides aggregated insights back to the executive team on areas to focus on. In February of 2021, FNM conducted such a survey, leaning on advice from the WPIC and our inclusive-skill-building technology partner, a respected employee experience technology firm that works with Fortune 500 businesses. The idea was to create a thorough-going analysis of employee concerns uncovered by a combination of results from the GPTW survey, and aggregated insights gleaned from our technology partner. The Pulse survey results paired with the results from our inclusive-skill-building platform were encouraging in that the data revealed an uptick in the Inclusion Index. The beginning action steps taken by FNM were already having an impact.

In June of 2022, FNM rolled out a series of Learning Paths and focus group circle discussions, again working with our inclusive-skill-building technology partner and leaning on advice from the WPIC. These focus groups explored employee sentiment in skillfully led open-ended conversations. Like the Pulse surveys and Learning Paths they targeted hot spots as well as bright spots and focused a great deal of attention on Black talent at all levels of the organization. One management response to these focus groups has been the creation of Listening Sessions for Black employees to better understand the subtlety of the issues facing them, and to create closer bonds within FNM's Black employees' community. These have been well received and are already contributing to enhanced engagement and a sense of "being seen and heard." Overall, the focus

group discussions powered by our inclusive-skill-building technology partner have been a great success. They have revealed a much more nuanced picture of FNM's culture, pin-pointed challenges and shown that the company is moving in the right direction. But they have also underscored the importance of continued commitment at the top of the house (the FNM CEO and the FOX Board of Directors), and unrelenting leadership energy that currently comes from FNM's excellent HR team.

OTHER KEY AREAS OF CONCERN AND FOCUS

Pandemic and Lockdown. The WPIC was briefed on the steps FOX took to stay on the air and fulfill its mission of keeping the public informed while also significantly reducing its footprint at its physical locations to ensure the health and safety of its employees. A specific concern was the mental health of employees and FOX provided additional services to address this issue. For many employees working remotely, FOX posted numerous helpful resources on its intranet, including business-specific Remote Work Guides and a webinar series through FOX Learning & Development that taught practical techniques for cultivating creativity during the enforced isolation of lockdown and full-time remote work.

High-Octane Mentoring. Many companies have found that while mentors are valuable for a wide range of employees, including those at the entry-level, high-potential employees in the middle levels need sponsors if they are to advance to the executive ranks. This is particularly true for Black employees who benefit enormously from sponsorship. Studies show that African American managers with sponsors are 65% more likely to progress to the next level than those without. Unfortunately, due to the absence of shared social networks, only 5% of high-achieving Black talent across corporate America win sponsorship. To remedy this problem and address one of the most troubling issues uncovered in the 2020 company-wide survey and 2021 Pulse survey, FNM rolled



out High-Octane Mentoring ("HOM") in November 2021. This is a de facto sponsorship program with a customized name. FNM wisely decided that the word "sponsor" would not fit well with the culture. The WPIC – which has considerable expertise in the leadership development space – was invited to help design this initiative. It has been a great success, led by Suzanne Scott and her direct reports and rolled out by the FNM HR team. In its first iteration it comprised of sixteen senior level mentors, and sixteen middle level mentees. The mentees comprise of a carefully chosen diverse portfolio of high achieving up-and-comers. Eight (three Black, four Asian, one Hispanic) out of sixteen mentees were diverse.

Employee Development and Recognition. The WPIC has been an enthusiastic champion of FNM's creative approach to employee recognition. Of special note are the newly implemented Spotlight Awards. In 2021, there were 331 nominations across a total of six award categories.

- **Impact Award** given to employees, teams, or departments whose work had one of the most positive impacts on the company. One winner.
- **Inclusion Ambassador of the Year Award** for employees who lead by example in celebrating, engaging, and advocating for diverse communities and voices inside and outside the company. One winner.

- **Innovator of The Year Award** for employees, teams, or departments whose consistent hard work, dedication, and outside-of-the-box creative thinking led to innovative changes throughout the business and took FNM to new heights. One winner.
- **Rising Star Award** for employees who showed exemplary work ethic and growth throughout the year. One aspect that makes these awards unique is that employees nominate their colleagues for them, and the leadership team then reviews the nominations. Five winners.
- **Unsung Hero Award**, for employees whose work is vital to the business but often goes unnoticed. Four winners, including an employee who lost his life during FNM's coverage of the war in Ukraine.
- **Community Service Award**, for employees who have dedicated their time and energy to their local communities and are most active in company volunteer efforts. Four winners.

All nominations were received and scored by an internal committee of senior leaders representing different departments and disciplines across FNM. A short list of finalists was then shared with the CEO's direct reports, who then voted on the finalists. The CEO and FNM's President & Executive Editor selected the final winners.

Improving and embedding sexual harassment training.

Annual training for sexual harassment is now mandatory in New York State, but, at the urging of the WPIC, FNM has gone the extra mile, bringing into the company a 'best in class' external trainer, producing multi-media content and seeking to continually upgrade and refresh programming so that it remains sticky and relevant. Monitoring sexual harassment and its accompaniment - retaliatory behavior - is central to the WPIC's mission. Members of the WPIC are pleased and proud that the excellent initiatives in this area are celebrated and widely known across FNM.

Ramping up ERGs at FOX News Media. The WPIC has been vocal in its support for recent expansion in the scope and scale of Employee Resource Groups at FNM. At many blue-chip companies, ERGs reinforce that shared identity by hosting events that celebrate heritage and create differentiated networks that burnish brands and advance careers. FOX now has eight ERGs, and they are increasingly active on all three fronts. In addition, at the suggestion of the WPIC, FNM board members of the FOX ERGs were pulled in to serve as an internal sounding board when our inclusive-skill-building technology partner fine-tuned protocols for the 2021/2022 Learning Paths and focus group discussions. Following those discussions, FNM plans to develop additional, FNM-specific ERGs to encourage engagement and foster a deeper sense of belonging across the intersecting identity facets of FOX News employees. The eight FOX ERGs are as follows: ABLE - Employees with Disabilities; ACE - Asian American Employees; BLK+ - Black Employees; HOLA - Hispanic or Latinx Employees; PRIDE - LGBTQ+ Employees; VETS - Military Veterans; WiT - Women in Tech; and Women@FOX - Women at FOX.

FOX Weather Diversity Outreach Strategy. This initiative, which is designed to engage diverse populations within the weather community, has had the enthusiastic endorsement of the WPIC. Successful roll-out of this program is based on four pillars: (i) outreach to strategic universities, including Mississippi State University, which has one of the largest meteorological departments in the country; (ii) visibility

within premier industry organizations such as the American Meteorological Society; (iii) championing diversity in the weather community through strong partnerships between the weather initiative and diversity journalism organizations (NABJ, AAJA, NAHJ, NLGJA) and Historically Black Colleges & Universities (HBCUs); and (iv) cultivation of internal development opportunities, including leveraging and scaling best practices across the organization through training and development opportunities and developing internal pipelines for talent mobility.

Complaint Investigation Process. As mentioned earlier, with guidance from the WPIC, FNM has created an effective process for employees to register complaints related to harassing, discriminatory or retaliatory conduct. In recent years, the company has created multiple avenues for reporting: employees may contact their Manager, Human Resources, the Legal Department, or the 24/7 outside Alert Line. As a result, reporting options are much better known in 2022 than in 2017. Employees now learn of the reporting process at many points of time throughout their employment journey, including new hire orientation, annual training, postings in common areas, and the annual re-acknowledgment of the employee handbook. As is true for many companies, HR and Legal are responsible for managing the complaint process. In addition, this process provides for the hiring of independent outside counsel to conduct investigations when circumstances warrant.

GLINT Survey Platform. In the summer of 2022, FOX contracted with LinkedIn's GLINT, a people-analytics platform that provides sophisticated survey development support, including onboarding and exit surveys and Ad Hoc Pulse surveys. The WPIC has endorsed this choice. In the future, this platform will provide great flexibility, allowing FNM to leverage GLINT's offerings and conduct surveys on an 'as needed' basis and target challenges at both the micro and the macro level. In a recent meeting with GLINT and the FNM Human Resources team, the WPIC urged that in 2023 GLINT commit to continuing the Inclusion Index and conducting surveys to determine whether there has been any



“backsliding” on the sexual misconduct front as employees return to work. We are very cognizant that harassment is partially an in-person problem.

Conclusion. The WPIC commends FNM on the progress it has made in its culture change journey. To sustain its progress, FNM should continue to leverage internal and external expertise. Regularly and continually assessing employees’ perceptions provides invaluable insight into bright spots and hot spots, which helps the company grow its people to their full potential and mitigate reputational risk. The individual members of the WPIC have agreed to the request from FNM to serve an additional six months in consultative roles on an as needed basis.

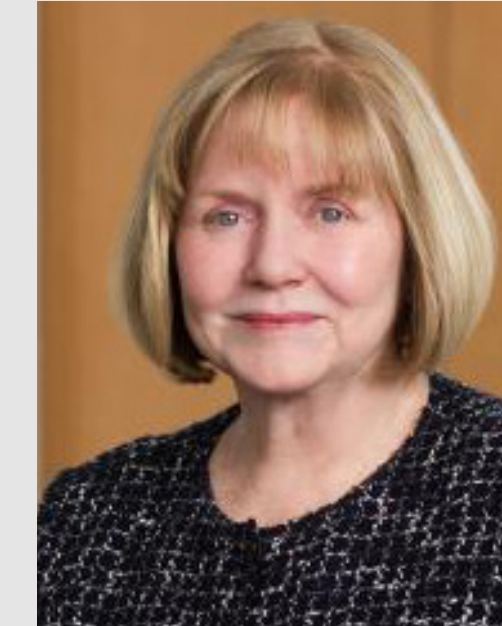
FOX NEWS WORKPLACE PROFESSIONALISM AND INCLUSION COUNCIL (WPIC) MEMBERS



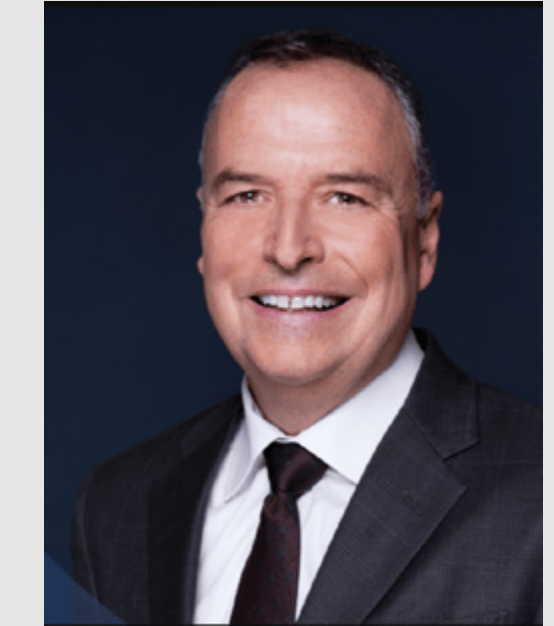
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