

Report of the FOX News Workplace Professionalism and Inclusion Council dated December 26, 2018

Introduction and Background

The FOX News Workplace Professionalism and Inclusion Council (the “WPIC”) independent members thank and commend the FOX News team for providing relevant information and being available, despite the pending acquisition of Twenty-First Century Fox, Inc. (“21st Century Fox”) by The Walt Disney Company and, prior to the acquisition, the transfer of a portfolio of news, sports and entertainment businesses, including FOX News, into a newly formed company, Fox Corporation (“FOX”).

Since its last report of June 2018, the WPIC held three additional meetings at the New York offices of 21st Century Fox in June 2018, September 2018 and December 2018.

At its meeting in December 2018, Kevin Lord, Executive Vice President of Human Resources, FOX News, became Chair of the WPIC (replacing Thomas Gaissmaier, Executive Vice President, Chief Human Resources Officer, 21st Century Fox) and Lily Fu Claffee, General Counsel, FOX News joined the WPIC. Sylvia Hewlett, Founder, Center for Talent Innovation; Honorable Barbara Jones, Partner, Bracewell LLP; Virgil Smith, Principal, Smith Edwards Group LLC; and Brande Stellings, Principal, Vestry Laight, continue to serve on the WPIC.

The independent members of the WPIC offer their appreciation to former Chair Mr. Gaissmaier for his leadership and guidance during the first year of the WPIC’s work. The independent members believe the selection of Ms. Claffee to the WPIC is a strong addition. Ms. Claffee brings expertise and organizational authority to assist in reviewing and advising on legal matters.

Throughout the year, the WPIC has continued to provide support for and monitor FOX News’s compliance with the commitments set forth in the Commitment Statement (available in the 21st Century Fox Statement of Corporate Governance) in particular related to recruitment, hiring and advancement and to workplace civility, anti-harassment and anti-discrimination training. The WPIC has reviewed both qualitative and quantitative survey data to assess employee perception and labor trends at FOX News; reviewed talent development programs and initiatives; assessed inclusion and harassment prevention training; and reviewed community outreach programs.

Review of Survey Data on FOX News Workforce

The survey data reviewed by the WPIC established a baseline for measuring employee retention and advancement; cultural perceptions, strategy and values; roles and responsibilities; team collaboration; and growth and development, which the WPIC intends to use as a basis for illustrating future improvements.

As part of its review of trends in hiring, promotion and attrition at FOX News in calendar 2017 and as forecasted for calendar 2018, the WPIC noted key findings that the average rates of female promotion outpaced male promotion in calendar 2017 and that attrition rates, both among women and people of color, in calendar 2017 were very low when compared to outside benchmarks. The WPIC noted that these low turnover rates indicate a strong employee value proposition which helps an organization attract and retain talent. The WPIC considered the stated reasons for attrition among women and people of color and offered ways to address such concerns within the organization.

The WPIC also reviewed an Internal Labor Market map of FOX News, broken out by gender and by race/ethnicity, which offered a “system-at-a-glance” summary of FOX News’s workforce dynamic to highlight areas which require further examination. Through this data, the WPIC was able to assess how FOX News was “buying” or “building” talent and retaining its workforce, in each case at various career levels including Executive, Manager, Professional and Staff.

In analyzing employee perception at FOX News in calendar 2017, the WPIC noted the need for an increased focus on mentoring and employee engagement, a topic which the WPIC discussed directly with Suzanne Scott, the Chief Executive Officer of FOX News, as further described below. The WPIC also noted the extremely favorable responses that employees have a clear understanding of what is expected of them at work, how their work contributes to FOX News’s success and the standards of business conduct to which they must adhere, which are positive indicators for the organization.

Ms. Hewlett led the WPIC in a discussion of survey theory to help inform the types of data points that the WPIC may incorporate into a future survey of employees at FOX News.

After a full year of operation of FOX, the WPIC seeks an employee survey to gather relevant data to carry out its responsibilities and benchmark survey results as an additional way to consider progress in future years.

Talent Development Programs and Initiatives

Suzanne Scott, Chief Executive Officer of FOX News, met with the WPIC to review the mentoring programs that have launched at FOX News to address this need as identified in the 2017 employee survey referenced above. In January 2018, FOX News partnered with Dana Perino’s award-winning Minute Mentoring Program to present an evening of fast paced mentoring sessions with FOX News Channel and FOX Business Network employees. The mixer offered more than 100 mentees the opportunity to rotate every ten minutes between more than 30 key leaders, including Ms. Scott. The event also paved the way for FOX News’s formal MentorMatch program which launched in the spring of 2018. Using a platform called MentorCliq, which relies on a personality test and an assessment of career goals and interests, FOX News has matched more than 100 pairs of mentors/mentees.

Ms. Scott also discussed with the WPIC the Women@FOXNews program aimed at empowering women at FOX News by giving them an opportunity to speak frankly about their experiences in the workplace and be heard by the senior female leadership. The kick-off event for Women@FOXNews offered diverse panels of female employees sharing their personal experiences as women in the workforce. Beginning in December 2017, Women@FOXNews hosts monthly breakfasts to bring together female employees of different disciplines and lengths of tenure with female executives at FOX News to encourage a dialogue among them. These breakfasts are hosted by Ms. Scott, Amy Listerman, EVP, Chief Financial Officer of FOX News, Marianne Gambelli, President of Advertising Sales, FOX News, and Sharri Berg, Chief Operating Officer, News and Operations, FOX TV. Nearly 100 employees have participated in these roundtable discussions.

Ms. Berg and Marsheila Hayes, Director of Campus Programs and Diversity Outreach, FOX News, updated the WPIC on Fox News’s recruitment initiatives. Through FOX News’s attendance at national conventions for the Asian American Journalists Association, the National Association of Black Journalists, the National Association of Hispanic Journalists, the Native American Journalists Association and the

National Lesbian and Gay Journalists Association, FOX News had interviewed approximately 170 people as of September 2018, identified more than 60 candidates to add to its talent pipeline and hired certain convention attendees who applied internally. WPIC member Mr. Smith noted that he saw first-hand the positive representation of FOX News at the National Association of Black Journalists convention which he also attended.

The WPIC also received an update on the FOX News Multimedia Reporters Training Program, a pipeline of talent for the next generation at FOX News, which accepts applicants to participate in a two-year training program, while contributing to the content for FOX News radio, digital, cable and broadcasting. The WPIC reviewed the finalists for the new class of reporters to begin in December 2018.

Ms. Berg reviewed with the WPIC the FOX Flight Team program which offers employees with limited to no technological background the training to become drone pilots for FOX News. Ms. Berg and four female drone pilots representing FOX News's Denver, Miami and New York bureaus and investigative unit attended the InterDrone Conference in September 2018.

The WPIC noted that the development programs at FOX News have been well executed and appear successful in introducing new diverse talent to the organization, building the skill sets of existing talent and opening the lines of communication and opportunities for connection and mentoring particularly among the women in the workforce.

Inclusion and Harassment Prevention Training

Representatives from FOX News legal and human resources shared with the WPIC the FOX News Sensitivity Training which focuses on diversity and inclusion, interrupting unconscious bias and preventing discrimination and harassment. The WPIC offered valuable feedback on making certain aspects of the training more relatable, placing a greater emphasis on positive behavior that employees should embrace and demonstrate, and introducing greater opportunities for self-reflection. The WPIC also discussed instructive videos that they find helpful and relatable as resources on harassment. FOX News intends to revise its training materials to incorporate the WPIC's feedback.

Community Outreach Programs

The WPIC also met with several FOX News employees, correspondents and on-air contributors to better understand FOX News's outreach efforts to support diverse communities including, including at-risk youth, veterans, and community-based organizations. FOX News employees' work with The Animation Project, Rosedale Center – South Bronx Educational Foundation, Veterans Initiative with Comfort for America's Uniformed Services, 100 Black Men of New York and The Urban Assembly was shared with the WPIC.

Looking Ahead

The WPIC will continue to work together to set the agenda and topics to be addressed at future meetings. Leveraging a discussion on the impact of the #metoo movement on corporate America, including ways other companies have updated processes for reporting and responding to complaints, the WPIC plans to consider best practices in reporting and apply its case study research and expertise when considering the reporting processes and handling of complaints at FOX News.

In keeping with its Charter, having reviewed FOX News's policies and programs, the WPIC, will next establish steps to review FOX News's complaint procedures to analyze the numbers and types of complaints made, and how they were investigated and resolved.

The WPIC will seek to identify additional ways to expand the ongoing professional development initiatives at FOX News, continue its focus on diversity and inclusion, and consider further enhancements to employee training at all levels.

In addition to the successful company-wide initiative at FOX News in the mentorship space, the WPIC looks forward to further investments in both mentorship and sponsorship programs. 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 people of color who are more likely to progress if they have a sponsor. Senior leaders eager to sponsor well are eager for tools and tactics and benefit enormously from "matching" assistance and executive coaching. The FOX News HR team led by Mr. Lord has made great progress modeling best practice in this area.