

**Resolved:** Shareholders request that Expeditors International of Washington, Inc. (“Expeditors”) report to shareholders on the effectiveness of the Company's diversity, equity, and inclusion efforts. The report should be done at reasonable expense, exclude proprietary information, and provide transparency on outcomes, using quantitative metrics for hiring, retention, and promotion of employees, including data by gender, race, and ethnicity.

**Supporting Statement:** Quantitative data is sought so investors can assess and compare the effectiveness of companies’ diversity, equity, and inclusion programs.

**Whereas:**

Numerous studies have pointed to the benefits of a diverse workforce. Their findings include:

- BlackRock has found that companies with more gender-balanced workforces meaningfully outperformed their peers between 2013 and 2022.<sup>1</sup>
- Companies with the strongest executive ethnic diversity were 33 percent more likely to have financial returns above their industry medians than those in the bottom quartile for executive ethnic diversity, according to the consultancy McKinsey.<sup>2</sup>
- A review of the workforce diversity of over 1,500 companies found a positive relationship between increases in management diversity and eight financial performance indicators, including return on equity and return on invested capital.<sup>3</sup>

Findings from *The Wall Street Journal*<sup>4</sup>, *Harvard Business Review*<sup>5</sup>, Credit Suisse<sup>6</sup>, and others have also pointed to the benefits of a diverse workforce.

Ninety-four percent of the S&P 100, more than half of the S&P 500 and over and one-third of the Russell 1000 have released, or have committed to release, their EEO-1 forms, a best practice in diversity data reporting. Companies that release, or have committed to release, inclusion data include Boeing, Norfolk Southern, Northrop Grumman, and Union Pacific.

Hiring, promotion and retention rate data show how well a company manages its workforce diversity.

Companies should look to hire the best talent. However, Black and Latino applicants face hiring challenges. Results of a meta-analysis of 24 field experiments found that, with identical resumes, white applicants received an average of 36 percent more callbacks than Black applicants and 24 percent more callbacks than Latino applicants.<sup>7</sup>

Promotion rates show how well diverse talent is nurtured at a company. Unfortunately, women and employees of color experience “a broken rung” in their careers; for every 100 men who are promoted,

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<sup>1</sup> <https://www.ft.com/content/f8b902b9-ca9a-42db-a3cd-97fe2cc13863>

<sup>2</sup> <https://www.mckinsey.com/business-functions/people-and-organizational-performance/our-insights/delivering-through-diversity>

<sup>3</sup> <https://www.asyousow.org/reports/2023-capturing-the-diversity-benefit>

<sup>4</sup> <https://www.wsj.com/articles/the-business-case-for-more-diversity-11572091200>

<sup>5</sup> <https://hbr.org/2023/07/how-to-effectively-and-legally-use-racial-data-for-dei>

<sup>6</sup> <https://www.americanbanker.com/diversity-&-inclusion-yields-strongest-returns>

<sup>7</sup> <https://hbr.org/2017/10/hiring-discrimination-against-black-americans-hasnt-declined-in-25-years>

only 86 women are. Women of color are particularly impacted, comprising 17 percent of the entry-level workforce and only four percent of executives.<sup>8</sup>

Retention rates show whether employees choose to remain at a company. Morgan Stanley has found that employee retention above industry average can indicate a competitive advantage and higher levels of future profitability.<sup>9</sup> Companies with high employee satisfaction have also been linked to annualized outperformance of over two percent.<sup>10</sup>

Expeditors has not released its consolidated EEO-1 form, nor has it shared sufficient quantitative hiring, retention, and promotion data to allow investors to determine the effectiveness of its human capital management programs.

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<sup>8</sup> [https://wiw-report.s3.amazonaws.com/Women\\_in\\_the\\_Workplace\\_2021.pdf](https://wiw-report.s3.amazonaws.com/Women_in_the_Workplace_2021.pdf)

<sup>9</sup> [https://www.morganstanley.com/im/publication/insights/articles/article\\_culturequantframework\\_us.pdf](https://www.morganstanley.com/im/publication/insights/articles/article_culturequantframework_us.pdf)

<sup>10</sup> [https://www.institutionalinvestor.com/article/b1tx0zddhnhf5x/Want-to-Pick-the-Best-Stocks-Pick-the-Happiest-Companies?utm\\_medium=email&utm\\_campaign=The%20Essential%20II%20100721&utm\\_content=The%20Essential%20II%20100721%20CID\\_eb103a9e15359075f72a85f7ff534c79&utm\\_source=CampaignMonitorEmail&utm\\_term=Want%20to%20Pick%20the%20Best%20Stocks%20Pick%20the%20Happiest%20Companies](https://www.institutionalinvestor.com/article/b1tx0zddhnhf5x/Want-to-Pick-the-Best-Stocks-Pick-the-Happiest-Companies?utm_medium=email&utm_campaign=The%20Essential%20II%20100721&utm_content=The%20Essential%20II%20100721%20CID_eb103a9e15359075f72a85f7ff534c79&utm_source=CampaignMonitorEmail&utm_term=Want%20to%20Pick%20the%20Best%20Stocks%20Pick%20the%20Happiest%20Companies)