



BE IT RESOLVED: Shareholders request that Take-Two Interactive Software, Inc. (“T2”) 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, promotion, and retention of employees, including data by gender, race, and ethnicity.

SUPPORTING STATEMENT: Quantitative data is sought so that investors can assess and compare the effectiveness of companies’ diversity, equity, and inclusion programs.

It is advised that this content be provided through T2’s existing sustainability reporting infrastructure. An independent report specific to this topic is not requested.

WHEREAS: T2’s impact report shows diversity, recruitment and retention as priority topics for the company and its stakeholders.¹ However, T2 has not shared sufficient hiring, promotion or retention data to allow investors to determine how well its workforce functions.

As You Sow and Whistle Stop Capital released research in November 2023 that reviewed the EEO-1 reports, best practice in workforce diversity data disclosure, of 1,641 companies against financial performance metrics from 2016-2021.² Within the information technology sector, statistically significant positive correlations were found between increased manager diversity and six financial performance indicators, including five-year growth for income, net profit margin, return on equity, and return on invested capital.

McKinsey has similar findings, determining that there is a 39 percent increased likelihood of outperformance for those companies in the top quartile of ethnic or gender representation in leadership versus those companies in the bottom quartile. Those in the bottom quartile for leadership diversity were 66 percent less likely to outperform financially on average.³

¹ <https://assets.ctfassets.net/wn7ipiv9ue5v/5TyspVTILFdPvHctrie8n7/ad5a4299bee672b007e94b962b356f4c/Take-Two-Interactive-2023-Impact-Report-Final.pdf>

² <https://www.asyousow.org/report-page/2023-positive-relationships-linking-workforce-diversity-and-financial-performance>

³ <https://www.mckinsey.com/featured-insights/diversity-and-inclusion/diversity-matters-even-more-the-case-for-holistic-impact>



Inclusion indicators (hiring, promotion, and retention rates) are essential in assessing T2's workplace equity efforts and if the company will be able to successfully build, utilize, and maintain a diverse management team.

Hiring: Companies should look to hire the best talent and remove constraints to identifying strong candidates. 231 companies disclose hiring rate data related to gender. 107 companies disclose hiring rate data related to race.⁴

Promotion: Without equitable promotional practices, companies will be unable to build the necessary employee pipelines for diverse management. 87 companies disclose promotion rate data related to gender. 46 companies disclose promotion rate data related to race.⁵

Retention: Retention rates indicate if employees believe a company represents their best opportunity. Morgan Stanley has found that employee retention above industry average can indicate a competitive advantage and higher levels of future profitability.⁶ 127 companies disclose retention rate data related to gender. 57 companies disclose retention rate data related to race.⁷

Large employers that provide, or have committed to provide, more inclusion data than T2 include, but are not limited to: Alphabet, Comcast, General Motors, General Dynamics, Honeywell International, IBM, McDonald's, Microsoft, Procter & Gamble, Salesforce, Texas Instruments, and Raytheon Technologies.

⁴ <https://www.asyousow.org/our-work/social-justice/workplace-equity/data-visualization>

⁵ <https://www.asyousow.org/our-work/social-justice/workplace-equity/data-visualization>

⁶ https://www.morganstanley.com/im/publication/insights/articles/article_culturequantframework_us.pdf, p. 2

⁷ <https://www.asyousow.org/our-work/social-justice/workplace-equity/data-visualization>