



Whereas: In the wake of the George Floyd murder by police officers on May 25, 2020 a majority of Russell 1000 corporations made public statements expressing their plans to address racial justice, thereby taking the first step to becoming antiracist organizations. [Antiracism](#) is the practice of identifying, challenging, and changing the values, structures, and behaviors perpetuating systemic racism. Monster Beverage Corporation chose to make a public statement in support of racial equity and our commitment to diversity and inclusion. However, our statement did not mention the victims of police violence, Black Lives Matter, or establish us as an antiracist organization. Additionally, our public corporate policies and available statistical data does not provide information regarding hiring, retention and promotion rates.

Numerous studies cite material corporate benefits associated with adopting corporate policies promoting racial justice:

- A McKinsey [study](#) shows companies with the strongest racial and ethnic diversity are 35% more likely to outperform their industry medians
- Companies with the most ethnically/culturally diverse boards worldwide are 43% [more likely](#) to experience higher profits
- For every 10% [increase](#) in racial and ethnic diversity among senior executives, EBIT rises 0.8%

However, inequities in the workplace continue:

- People of Color [comprise](#) 33% of entry level positions, but only 13% of the C-suite
- Among companies in the Russell 3000, Black individuals [accounted](#) for only 4.1% of board members versus 13.4% of the U.S. population
- “Failure to adopt inclusion practices translates into a loss of customers and [reduces profitability](#)”

Monster can play a critical role in ending systemic racism by promoting racial justice.

The need for action is underscored by Monster’s 6% score on a recent Racial Justice Scorecard. This score is significantly below peer, PepsiCo, which scored 77%. Monster’s low score is due to its lack of publicly accessible diversity and inclusion targets and disclosed data concerning hiring, retention, and promotion rates of people of color within the Company. Given heightened awareness around racism, failing to act and disclose policies and quantifiable data raises the material risk of revenue loss and reduced brand value.



Resolved: Shareholders request that Monster publish a report, at reasonable expense and excluding proprietary information, disclosing the Company's plan, if any, to promote racial justice.

Supporting Statement: Investors seek quantitative, comparable data to understand if and how the Company is promoting a commitment to Racial Justice. Proponents suggest the report include:

- Potential policies the company could adopt to promote Racial Justice in its corporate workplaces and operations
- Detailed quantitative information on diversity and inclusion, including recruitment, hiring, and retention policies and outcomes