

BE IT RESOLVED: Shareholders request that Charter Communications, Inc. (“Spectrum”) 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 that 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. Findings include:

- Companies with high executive ethnic diversity were 33 percent more likely to have financial returns above their industry medians than those with low executive ethnic diversity.¹
- There was a positive association between diversity in management and cash flow, net profit, revenue, and return on equity.²

Similar to how an income statement pairs with a balance sheet, hiring, promotion and retention rate data show how well a company manages its workforce diversity. Without this data, investors are unable to assess the success of a company’s human capital management program.

Companies should look to hire and promote the best talent. However, researchers have found that White applicants receive an average of 36 percent more callbacks than Black applicants and 24 percent more callbacks than Latinx applicants.”³ For every 100 men who are promoted, only 86 women are. Women of color are particularly impacted, comprising 17 percent of the entry-level workforce and only four percent of executives.⁴

¹ <https://www.mckinsey.com/business-functions/people-and-organizational-performance/our-insights/delivering-through-diversity>

² <https://www.asyousow.org/report-page/workplace-diversity-and-financial-performance>

³ <https://hbr.org/2017/10/hiring-discrimination-against-black-americans-hasnt-declined-in-25-years>

⁴ https://wiw-report.s3.amazonaws.com/Women_in_the_Workplace_2021.pdf

Morgan Stanley research has found that employee retention can indicate a competitive advantage and higher levels of future profitability.⁵ Companies with high employee satisfaction have also been linked to annualized outperformance of over two percent.⁶

Ninety-four percent of the S&P 100 companies have released, or have committed to release, their EEO-1 forms, a best practice in diversity data reporting. Between September 2020 and September 2022, S&P 100 companies increased by 298 percent their release of hiring rate data by gender, race, and ethnicity; retention rate data by 481 percent; and promotion rate data by 300 percent.⁷

Spectrum has not yet committed to release standardized workforce composition data through its consolidated EEO-1 form, which is best practice in diversity data reporting, nor has it shared sufficient recruitment, promotion and retention data to allow investors to determine the effectiveness of its human capital management programs.

Investors have been consistent in requesting this data from Spectrum. In 2021, 41 percent of investors voted in support of a resolution with a similar data disclosure request. In 2022, 45% did so. Spectrum's investors have reasons to be particularly concerned about its diversity-related programs; the Company has faced discrimination allegations on the basis of gender, sexual orientation, race, and age.

⁵https://www.morganstanley.com/im/publication/insights/articles/article_culturequantframework_us.pdf

⁶https://www.institutionalinvestor.com/article/b1tx0zzdhnf5x/Want-to-Pick-the-Best-Stocks-Pick-the-Happiest-Companies?utm_medium=email&utm_campaign=The%20Essential%20I%20100721&utm_content=The%20Essential%20I%20100721%20CID_eb103a9e15359075f72a85f7ff534c79&utm_source=CampaignMonitorEmail&utm_term=Want%20to%20Pick%20the%20Best%20Stocks%20Pick%20the%20Happiest%20Companies

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