



BE IT RESOLVED: Shareholders request that Danaher Corp. (Danaher) 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 workforce diversity, 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 Danaher's existing sustainability reporting infrastructure. An independent report specific to this topic is not requested.

WHEREAS: Companies that release, or have committed to release, more inclusion data than Danaher include Baxter International, Biogen, CVS Health, Gilead Sciences, Pfizer, and UnitedHealth Group.

As You Sow and Whistle Stop Capital released research in November 2023 that reviewed over 4,500 EEO-1 reports, which show corporate workforce diversity.¹ The data shows a positive correlation between manager diversity and corporate performance. Within the healthcare sector, statistically significant positive correlations were found between increased manager diversity and free cash flow per share, income after tax, and ten-year revenue growth rate.

The Company states it "sincerely hopes that [its] marginalized and underrepresented associates feel supported and a sense of belonging..."² However, as of the date of the filing of this proposal, Danaher had not yet shared sufficient hiring, retention, or promotion data to allow investors to determine the effectiveness of its diversity and inclusion programs.

As detailed below, inclusion indicators are important in assessing Danaher's workplace equity efforts and if the Company is successfully building, utilizing, and maintaining a diverse management team.

¹ <https://www.asyousow.org/report-page/2023-positive-relationships-linking-workforce-diversity-and-financial-performance>

² <https://www.danaher.com/who-we-are/diversity-inclusion>



Hiring: Studies conducted by economists at the University of Chicago and UC Berkeley found that “discriminating companies tend to be less profitable,” stating “it is costly for firms to discriminate against productive workers.”³

Promotion: Without equitable promotional practices, companies will be unable to build the necessary employee pipelines for diverse management. Women and employees of color experience “a broken rung” in their careers; for every 100 men who are promoted, only 87 women are. Whereas women of color comprise 18 percent of the entry-level workforce and only 6 percent of executives.⁴

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.⁵

Investors have reason to be concerned with Danaher as the Company was sued by a pension fund for its lack of diverse leadership.⁶ Investors want to be sure that Danaher’s diversity and inclusion actions are more than performative and that the Company is, in its words, “working hard to build an organization that celebrates difference, learns from diverse perspectives, and values inclusion...”⁷

³ <https://www.nytimes.com/2021/07/29/business/economy/hiring-racial-discrimination.html>

⁴ <https://www.mckinsey.com/featured-insights/diversity-and-inclusion/women-in-the-workplace>

⁵ https://www.morganstanley.com/im/publication/insights/articles/article_culturequantframework_us.pdf, p. 2

⁶ <https://news.bloomberglaw.com/social-justice/new-to-racial-justice-movement-a-pension-fund-sues-danaher>

⁷ <https://news.bloomberglaw.com/social-justice/new-to-racial-justice-movement-a-pension-fund-sues-danaher>