

## **Report of the FOX News Workplace Professionalism and Inclusion Council dated June 13, 2019**

### **Introduction and Background**

On March 20, 2019, The Walt Disney Company completed the acquisition of Twenty-First Century Fox, Inc (“21CF”). Immediately prior to this transaction, on March 19, 2019, 21CF transferred to Fox Corporation a portfolio of 21CF’s news, sports and broadcast businesses, including FOX News, along with certain other assets and liabilities associated with such businesses, and distributed all of the outstanding shares of Fox Corporation common stock to 21CF stockholders (other than holders that were subsidiaries of 21CF) on a pro rata basis, following which Fox Corporation became a standalone publicly traded company.

Since its last report on December 26, 2018, the FOX News Workplace Professionalism and Inclusion Council (the “WPIC”) convened twice pursuant to the WPIC’s Charter: (1) on January 23, 2019, the WPIC held its first of two annual meetings with the Chair of the Nominating and Corporate Governance Committee of FOX News’ parent company (“NCG Chair”); and (2) on April 1, 2019, the WPIC held its first of four regular annual meetings at FOX News.

### **Meeting with the Chair of 21CF’s Nominating and Corporate Governance Committee**

On January 23, 2019, prior to the separation of Fox Corporation from 21CF, the WPIC held its first of two meetings for 2019 with the NCG Chair. At the time of this meeting, the NCG Chair was Jacques Nasser. The WPIC had previously met in 2018 with Viet Dinh, who was Mr. Nasser’s predecessor as NCG Chair. The meeting with Mr. Nasser took place by teleconference. In attendance were Kevin Lord, Executive Vice President of Human Resources, Fox Corporation; Lily Fu Claffee, Executive Vice President & General Counsel, FOX News; Sylvia Hewlett, Author & Chair Emeritus, Center for Talent Innovation; the Honorable Barbara Jones, Partner, Bracewell LLP; Virgil Smith, Principal Consultant, Smith Edwards Group LLC; and Brande Stelling, Principal, Vestry Laight LCC.

During this meeting, WPIC members shared their views on the progress of the WPIC since its inception and its achievements, including establishing a WPIC charter; engaging on recruitment, development and inclusivity initiatives; reviewing past employee survey data; and providing input into FOX News’ new anti-harassment and inclusion training. The WPIC also highlighted its meetings with some of FOX News’ senior leadership, including Suzanne Scott, its CEO. One of the external WPIC members shared that the WPIC has built enormous solidarity and trust between the internal and external WPIC members. Mr. Nasser then shared his thoughts and goals for the WPIC and cited the importance of having an inclusive work environment. Mr. Nasser expressed the importance of providing the WPIC with access both to leadership and to the greater FOX News organization. He also encouraged the WPIC to look outside and benchmark against other organizations that have faced similar issues to FOX News. Mr. Nasser ended the session by encouraging the WPIC to continue doing great work, expressed his availability and shared that he would update the 21CF Board of Directors on the meeting.

## **Regular WPIC Meeting**

On April 1, 2019, after the separation of Fox Corporation from 21CF, the WPIC had a regular council meeting. All of the above named WPIC members were in attendance. The focus of the April 1 meeting was on providing the WPIC's independent members with a first-hand, department-by-department look at FOX News, so that the WPIC can be optimally positioned to provide support for and monitor FOX News' compliance with the Commitment Statement set forth in the WPIC's Charter (the "Commitment Statement"). To achieve this goal, the WPIC's independent members were taken on a guided tour of FOX News' New York workplace, stopping at various departments to (1) learn about FOX News' operations; (2) see FOX News' new facilities; (3) experience FOX News' workplace culture; and (4) meet FOX News employees. The WPIC members were met by key FOX News personnel at each stop on the tour. During these stops, the WPIC members were provided presentations on the workings of each department and invited to ask questions.

The WPIC's independent members thank and commend the FOX News team for providing direct access to the FOX News workplace, and for taking the time to prepare presentations for the WPIC, particularly despite the recently-completed separation of Fox Corporation from 21CF. The WPIC independent members value this and future opportunities to develop a deeper, personal understanding of FOX News and its employees as they carry out their duties under the Commitment Statement.

### **A. Operations Tour and Meetings with Key FOX News Personnel**

To provide the WPIC with a better understanding of the inner workings of FOX News, WPIC members were led on a guided tour of FOX News' facilities by Warren Vandever, Executive Vice President, Technical Operations & Engineering. Mr. Vandever escorted WPIC members to each department, highlighting the technical and engineering aspects of the department, and introducing the WPIC to a key employee who, in turn, provided the WPIC with a presentation on that department, its work and its people.

Specifically, the tour included the following stops and presentations:

- News Division: WPIC members were escorted to FOX News' state-of-the-art Studio F to meet with Jay Wallace, President & Executive Editor, FOX News & FOX Business Network. Mr. Wallace provided WPIC members with an overview of FOX News' expansive news operations. Mr. Wallace also addressed with the WPIC steps that FOX News has taken over the past few years to address various workplace issues impacting FOX News' people and culture.
- Programming Operations: Next, the WPIC toured FOX News' Hair and Makeup Department, as well as its Media Production Group. The WPIC met with Jill Van Why, Senior Vice President, Programming Operations, FOX News, and Peter Blangiforti, Senior Vice President, Broadcast & Media Technology, FOX News. Ms. Van Why and Mr. Blangiforti provided the WPIC with an overview of the departments that prepare dozens of talent, contributors and guests to appear on the air each day, as well as the

group that is responsible for all of FOX News' and FOX Business' in-house graphics and set/scenic studio designs.

- Control Room Operations: The WPIC then toured the control room of *Shepard Smith Reporting* during a live telecast. The WPIC met with Jon Glenn, Executive Producer, News Programming, FOX News, who showed the WPIC in real time how a live news program is produced. The WPIC observed first-hand the diverse skill sets and composition of the many talented employees needed to work in the control room for one show.
- FOX Business Network: Afterward, the WPIC were escorted to the offices of FOX News' sister channel, the FOX Business Network. There, the WPIC met with Brian Jones, President, FOX Business Network, who provided an overview of the FOX Business Network's programming and operations, as well as insight into FOX Business Network's target audience.
- FOX News Radio: Next, the WPIC toured the facilities of FOX News Radio. The WPIC met with John Sylvester, Vice President, FOX News Radio, who provided an overview of FOX News' 24/7 radio operations. The WPIC also briefly observed a live radio show during the tour.
- Technical Operations: The WPIC was then escorted to the workspace of FOX News' Technical Operations Department, where the WPIC met with Steve Carey, Senior Vice President, Technical Operations, FOX News, and Daisette Harmon, Supervisor, Scheduling, FOX News. Mr. Carey and Ms. Harmon provided the WPIC with an overview of the very large and complex Technical Operations Department, which includes all of FOX News' audio-visual equipment operators as well as the scheduling operations needed to make and track assignments.
- Finance: Finally, the WPIC was brought to FOX News' Finance Department. The WPIC met with Amy Listerman, Executive Vice President & Chief Financial Officer, FOX News, Lesley Grunbaum, Senior Vice President, Finance, FOX News, and Valerie Corrales, Vice President, Strategic Sourcing, FOX News. The WPIC was provided an overview of FOX News' accounting, finance, and procurement functions. The WPIC also had an opportunity to learn about various initiatives the Finance Department has undertaken to increase diversity among FOX News suppliers.

During all of these meetings, the WPIC learned about the driving force behind FOX News, the stories that the FOX News Channel and FOX Business Network cover, and the behind-the-scenes work that goes into creating the final product. The WPIC saw first-hand the diversity within leadership, management, and the rank-and-file at FOX News and heard about the opportunities for advancement for women and minorities within the company. The WPIC asked the employees they met about their own professional development within FOX News, and noted both a strong entrepreneurial spirit among employees, and extraordinary longevity in the case of many FOX News careers.

The independent members of the WPIC offer their appreciation to each of the FOX News employees who took time out of their schedules to show them the inside of FOX News, and for providing the WPIC with candid insights into the company and its employees.

### **B. Meeting with new Fox Corporation Chief Operating Officer**

At the conclusion of their tour of FOX News, the WPIC met with John Nallen, Chief Operating Officer, Fox Corporation. Mr. Nallen explained to the WPIC that the recent separation of Fox Corporation from 21CF provided Fox Corporation with an opportunity to reshape the culture of the company. In order to achieve that goal, Mr. Nallen explained that all Fox Corporation employees were given equity in the company so that they would feel empowered as owners, not merely as employees, to help foster a stronger corporate culture at Fox Corporation. Mr. Nallen also reaffirmed Fox Corporation's commitment to supporting the work of the WPIC and providing the WPIC with access to the information and data needed for it to accomplish its charge.

### **Looking Forward**

The WPIC will continue to work together to set the agenda and topics to be addressed at future meetings.

In keeping with its Charter, having reviewed FOX News' policies and programs, the WPIC emphasized their desire to review qualitative and quantitative data surrounding employee complaints of gender-based discrimination and harassment at FOX News. The WPIC has been working with FOX News' General Counsel toward this end.

The WPIC also emphasized that it seeks an employee survey to gather relevant data to carry out its responsibilities and benchmark survey results as an additional way to consider progress in future years, and that it would like to see this survey completed within the next 12-18 months.

Overall, the WPIC was impressed with the diversity of FOX News' employees, as well as the passion those employees expressed for the organization. The WPIC looks forward to furthering FOX News' goal of increasing diversity and maintaining a strong culture that is free from discrimination and harassment.