

BE IT RESOLVED: Shareholders request that HCA Healthcare report to shareholders on the outcomes of the Company's diversity, equity, and inclusion efforts in its human capital management strategy, by providing quantitative metrics and data on progress toward its goals. This includes, for example, the recruitment, retention and promotion rates of employees by gender, race, ethnicity, sexual orientation, age, and veteran status. The reporting should be done at reasonable expense and exclude proprietary information.

SUPPORTING STATEMENT: Quantitative data, particularly consolidated EEO-1 reporting, is sought so that investors are able to compare, understand, and assess the effectiveness of companies' diversity, equity, and inclusion programs and to apply this analysis to investors' portfolio management and securities selection process.

WHEREAS: Numerous studies have pointed to the material benefits of a diverse workforce:

- Morgan Stanley has found that retention rate data above industry peer averages “can indicate the presence of competitive advantage.”
- Companies in the top quartile for gender diversity are 21 percent more likely to outperform on profitability and 27 percent more likely to have superior value creation.
- A 2019 study of the S&P 500 found that the 20 most diverse companies had an average annual five-year stock return that was 5.8 percent higher than the 20 least-diverse companies.

Despite such benefits, significant barriers exist for diverse employees advancing within their careers. Women enter the United States corporate workforce in almost equal numbers as men (48 percent). However, women nationally comprise only 27 percent of the executive suite. Similarly, people of color comprise 34 percent of entry level positions, but only 17 percent of the c-suite. HCA's mission is to improve more lives in more ways. Research suggests that having more diverse medical professionals would narrow existing disparities in care among racial and ethnic minorities and this inclusiveness would lead to better care and outcomes for patients. When disparities in health care result in low quality preventative care and poor management of chronic conditions, it could translate into avoidable, higher costs for the Company and the communities where it operates.

While HCA Healthcare has released some workforce composition data, it has not disclosed its consolidated EEO-1 form, nor has it shared sufficient data for investors to determine the effectiveness of its human capital management programs. According to MSCI, HCA lags its peers in labor management and notes it has a “large workforce” and “relatively limited labor management initiatives” relative to its peers. Retention, recruitment, and promotion rates are needed; these inclusion data points show if diverse talent is being brought into the company, if these employees want to stay, and how effectively their talents are nurtured.