

**SAGE:**

Sustainability Achieved Through Greater Engagement

**Calvert SAGE Strategies:**

emphasize strategic engagement to advance environmental, social, and governance (ESG) performance on the part of companies that may not meet all of Calvert's Signature ESG criteria today but have the potential to improve.\*

**Comcast Corporation**

This company is a Calvert SAGE™ Strategy holding and is not eligible for investment in the Calvert Signature® Strategy portfolios.

Comcast Corporation has demonstrated a commitment to addressing sustainability in its business operations with the summer 2009 and 2010 publication of corporate responsibility reports and a decision that the board of directors will review and provide oversight of the company's sustainability reports. The reports provide information on the company's environmental, social, and governance practices. While these reports are important first steps, the company needs to show how it is integrating sustainability into its overall business by enhancing its disclosure to include performance metrics, concrete goals and objectives, and the communication of challenges as well as achievements. Comcast's commitments to diversity and community relations have earned broad recognition and continue to represent areas of strategic opportunity. Comcast has a history of labor relations disputes, including allegations of anti-union tactics and mandatory overtime. The company's code of ethics does not address the International Labour Organization (ILO) core labor standards, especially collective bargaining and freedom of association, nor is there evidence of any joint labor management initiatives. In January 2011, the Federal Communications Commission (FCC) and Department of Justice approved the merger of Comcast and NBC Universal (NBCU). The approval came despite opposition from a coalition of groups including consumer activist organizations, minority media groups, and competing media companies that criticized the merger because of fears that it is a threat to competition and therefore a free and open media. The FCC stated that the conditions of the Comcast-NBCU merger will protect internet competition and diversity and local media, an argument that Comcast made prior to government approval. As a family run company Comcast presents unusual governance challenges, including executive compensation practices, ownership control issues, and board accountability. To date, the company has not fully addressed or resolved these challenges.

**COMCAST ADVOCACY OBJECTIVES**

- Improve overall sustainability disclosure, including reporting per the Global Reporting Initiative's G3 guidelines. Enhance disclosure of performance metrics, including communication of challenges and problems, as well as achievements. Supplement diversity reporting to include full disclosure of Equal Employment Opportunity-1 data to demonstrate how effectively women and minorities are advancing throughout the company.
- Adopt the ILO core labor standards, especially collective bargaining and freedom of association. Provide training to employees and management regarding labor policies and local, state, and federal regulations to ensure a neutral space for employees to decide whether to form or join a union.
- Strengthen compensation policies and practices to enhance the link between pay and performance and to put more of the top executive officers' compensation at risk.
- Adopt governance policies or practices that allow for greater accountability to shareholders, including separating the roles of Chair and CEO, establishing a majority vote standard for director elections, and formally engaging shareholders to enhance and facilitate communication.

\*Calvert's Signature ESG criteria examine corporate performance across seven broad areas of concern: governance and ethics, environment, workplace, product safety and impact, human rights, Indigenous Peoples' rights, and community relations. For more information, please visit <http://www.calvert.com/sri-signature-criteria.html>.

- Disclose a corporate policy and contributions on political spending using corporate funds, including those made to trade associations, civic leagues, welfare organizations, local associations of employees, and other tax-exempt organizations.
- Report on the company's Internet network management practices in the context of concerns regarding privacy and freedom of expression.
- Establish Board level oversight of environmental and social issues.
- Strive to promote and develop women and minority employees. Demonstrate this commitment by participating in initiatives related to the Calvert Women's Principles® including the UN Women's Empowerment Principles and the San Francisco Gender Equality Principles.

### ENGAGEMENT TOOLS APPLIED

- Direct dialogue with Comcast executive management
- Multi-stakeholder dialogue(s)
- Sign-on letters on specific objectives

### RECENT ENGAGEMENT

- In January, 2011 (as part of the follow-up to the November meeting), Comcast reported that it had modified the charter language of one of its board committees to include oversight of its corporate responsibility report.
- On November 11, 2010, Calvert met with senior company executives in Philadelphia. The meeting focused on the company's corporate responsibility reporting, board oversight of environmental and social issues, and the company's labor relations policy and performance. Calvert provided constructive criticism of the company's reporting efforts and Comcast agreed to review the input for the next report. In particular, Calvert called for more diversity reporting and an enhancement of the data provided on key issues. Calvert proposed that the company establish board level oversight of environmental and social issues and afterward sent a proposal to the company making the case for why it should be implemented. Calvert also urged the company to adopt the ILO core labor standards as part of its overall employee policies and heard an update on the company's efforts to improve its labor relations performance.
- In July 2010, as part of its research for a report on the diversity practices at S&P 100 companies, Calvert sent a letter to the company regarding its diversity policies, programs, and performance. Encouraging the company to supplement its current diversity reporting to include full disclosure of EEO-1 data to demonstrate how effectively women and minorities are advancing throughout the company remains one of Calvert's stated advocacy objectives with Comcast.
- Comcast published its second corporate responsibility report in summer 2009 and its third in summer 2010, demonstrating increased transparency on several key areas. Calvert welcomes the strengthened disclosure, and looks forward to further enhancements including disclosure of performance metrics and communication of challenges, as well as achievements.
- On May 6, 2009, Calvert joined a Comcast Executive Vice President and the Senior Vice President, Investor Relations, at Comcast's Philadelphia headquarters for an initial discussion to review the objectives set forth in Calvert's SAGE Strategy introduction letter and establish a path for continued engagement. Calvert reviewed each of the objectives, answering specific questions and providing a greater understanding of each objective's relevance and importance to Calvert as investors. Comcast took the opportunity to brief Calvert on each of these key areas, highlighting what the company is currently doing, and where they are open to continued dialogue. The meeting was productive and set the stage for a constructive dialogue on the majority of the issues identified in the initial SAGE letter, including labor relations, executive compensation, political contributions, and privacy.