

Shareholder proposals regarding lobbying activities and political expenditures at Charter Communications, Inc.

July 2024

Company: Charter Communications, Inc. (Charter)

Meeting date: April 23, 2024

Proposal(s): Item 5: Stockholder proposal regarding lobbying activities; Item 6: Stockholder proposal regarding political expenditures report

How the funds voted

At the 2024 annual meeting of Charter, a U.S.-listed broadband connectivity company and cable operator, the Vanguard-advised funds voted against two shareholder proposals related to the company's lobbying activities and political expenditures.¹

The funds' proxy voting policies

As articulated in the funds' proxy voting policies, the Vanguard-advised funds evaluate

all shareholder proposals on a case-by-case basis, taking into consideration the facts and circumstances at the company in question. When evaluating shareholder proposals, we analyze the materiality of the risk the proposal seeks to address, the company's current practices and disclosure related to the risk, the board's oversight of the risk, and the reasonableness and prescriptiveness of the proposal. If we identify gaps in the company's disclosures, the funds may support a shareholder proposal that seeks enhanced reporting of the company's approach to addressing a material risk. The funds do not support shareholder proposals that seek to influence or dictate specific company strategy or operating actions, as we believe that a well-composed board and properly overseen and incentivized company executives are better positioned to determine the appropriate approach for any particular company. Additionally, the funds do not support shareholder proposals that seek actions that are duplicative of existing company practices or introduce undue costs and/or risks to shareholders.

¹ Vanguard's Investment Stewardship program is responsible for proxy voting and engagement on behalf of the quantitative and index equity portfolios advised by Vanguard (together, "Vanguard-advised funds"). Vanguard's externally managed portfolios are managed by unaffiliated third-party investment advisors, and proxy voting and engagement for those portfolios are conducted by their respective advisors. As such, throughout this document, "we" and "the funds" are used to refer to Vanguard's Investment Stewardship program and Vanguard-advised funds, respectively.

When evaluating a proposal that requests greater disclosure of a company's political spending and/or lobbying activities, policies, or practices, the funds consider:

- The materiality of the issue related to the company's business practices and any regulatory and/or reputational risks that might be implicated, as informed by applicable laws and regulations regarding political spending and/or lobbying and the prevalence of corporate political activity (CPA) within a company's industry.
- The company's current disclosure and level of board oversight of CPA.
- Disclosure regarding trade associations or other groups that a company supports, or is a member of, that engage in lobbying activities.
- Recent controversies, litigation, fines, or other manifested risks associated with the company's CPA.

Analysis and voting rationale

Over the last four years, Charter received shareholder proposals at each of its annual meetings requesting additional disclosure of the company's lobbying activities and political expenditures. In analyzing the shareholder proposals regarding CPA in 2021–2023, we noted an opportunity for the company to provide further disclosure each year about board oversight of risks related to CPA. Specifically, we observed that the company's public disclosures did not provide transparency into board governance and oversight of CPA or insight

into the company's approach to participating in trade associations. We noted that this lack of disclosure limited investors' ability to assess the associated risks of these activities. Therefore, the Vanguard-advised funds supported shareholder proposals requesting additional CPA disclosure in 2021, 2022, and 2023, based on the facts and circumstances at the time.

In assessing the 2024 shareholder proposals related to corporate lobbying and political activity, we identified that Charter had enhanced its public disclosures through the publication of its "Corporate Political Activities Policy Statement." The statement, adopted in January 2024, provided insight into the board's and management's oversight of Charter's political engagement strategy and lobbying activities. It also provided additional insight regarding Charter's policy objectives, how its CPA is congruent with the company's strategy and shareholder interests, and the company's approach to engaging with trade organizations.

Our engagement with members of Charter's board and management team further revealed the company's efforts to improve its CPA-related disclosures and governance practices in response to shareholder feedback. The company cited confidence in its enhanced board oversight processes, including the presence of a close relationship between its government relations team and the board. Given Charter's enhanced board oversight processes and disclosures, the Vanguard-advised funds did not support either shareholder proposal regarding CPA at the company's 2024 annual meeting.

Vanguard publishes information regarding its voting and engagement activities, including the funds' proxy voting policies, Insights, and quarterly reports, to promote good corporate governance practices and to provide public companies and investors with our perspectives on important governance topics and key votes. This is part of our effort to provide useful disclosure of Vanguard's investment stewardship activities. We aim to provide clarity on Vanguard's positions on governance matters beyond what a policy document or a single vote can provide.

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