

## Racial Equity Audit Chevron- 2022

**Resolved:** Shareholders request that the Board of Directors commission and publicly disclose the findings of an independent racial equity audit, analyzing if, and how, Chevron's policies and practices discriminate against or disparately impact communities of color. The report should clearly identify, and recommend steps to eliminate, business activities that further systemic racism, environmental injustice, threaten civil rights, or present barriers to diversity, equity, and inclusion (DEI). Input from impacted workers, community members, customers, or other relevant stakeholders should inform the audit and report. The report should exclude confidential and proprietary information, as well as information relevant to any pending legal proceeding or threatened proceeding of which Chevron has notice.

**Whereas:** Racial inequity and environmental racism are systemic risks that threaten society and the economy.<sup>1</sup> Companies that fail to correct policies and practices deemed to be racist, discriminatory, or furthering inequities face legal, financial, reputational, and human capital management risks. Companies that commit to holistically advance racial justice and foster DEI benefit from stronger performance, employee satisfaction, innovation, and positive social impact.<sup>2</sup>

Chevron is one of the highest greenhouse gas emitting companies in the world.<sup>3</sup> Its emissions contribute to the climate crisis, which disparately impacts people of color and furthers systemic racism.<sup>4</sup> Chevron's operations, discharges, and leaks disproportionately burden communities of color with pollution and human health risks.<sup>5</sup>

For example, 80% of residents living adjacent to Chevron's Richmond, CA refinery are people of color, and they experience higher rates of cardiovascular disease, cancer, and asthma.<sup>6</sup> Chevron's Richmond facility is the city's largest polluter and the company has spent millions of dollars to influence city politics and funding.<sup>7</sup> Chevron also finances the Richmond police,<sup>8</sup> which has been linked to police brutality.<sup>9</sup> Beyond Richmond, Chevron finances police groups in major U.S. cities and Chevron representatives serve on the boards of Houston and Salt Lake City police foundations.<sup>10</sup> Additionally, Chevron faces scrutiny for financing United States politicians with failing civil rights grades issued by the NAACP.<sup>11</sup>

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<sup>1</sup> <https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/racial-inequity-a-systemic-risk-8211-state-street-global-advisors-ceo-62047105>

<sup>2</sup> <https://www.forbes.com/sites/forbeshumanresourcescouncil/2021/05/19/15-key-benefits-of-dei-to-communicate-with-team-members/?sh=78cbb835195c>

<sup>3</sup> <https://b8f65cb373b1b7b15feb-c70d8ead6ced550b4d987d7c03fcd1d.ssl.cf3.rackcdn.com/cms/reports/documents/000/002/327/original/Carbon-Majors-Report-2017.pdf?1499691240>

<sup>4</sup> <https://e360.yale.edu/features/unequal-impact-the-deep-links-between-inequality-and-climate-change> ; <https://blog.ucsusa.org/kathy-mulvey/six-ways-chevron-imperils-climate-human-rights-and-racial-justice/>

<sup>5</sup> <https://www.scientificamerican.com/article/pollution-poverty-people-color-living-industry/>

<sup>6</sup> <https://www.theguardian.com/environment/2019/oct/09/richmond-chevron-california-city-polluter-fossil-fuel> ; <https://ej4all.org/life-at-the-fenceline>

<sup>7</sup> <https://www.eastbaytimes.com/2014/10/10/chevron-unleashes-campaign-spending-to-influence-richmond-election/>

<sup>8</sup> <https://stopthemoneypipeline.com/wall-street-and-fossil-fuel-companies-are-funding-police-violence/>

<sup>9</sup> <https://www.mercurynews.com/2021/02/15/richmond-pays-135k-to-settle-brutality-lawsuit-against-controversial-cop-officer-involved-is-on-admin-leave-for-an-unrelated-investigation/> ; <https://eastbayexpress.com/more-questions-than-answers-in-richmond-police-shooting-1/>

<sup>10</sup> <https://www.theguardian.com/us-news/2020/jul/27/fossil-fuels-oil-gas-industry-police-foundations>

<sup>11</sup> <https://www.globalwitness.org/en/campaigns/oil-gas-and-mining/chevron-stop-funding-racism/>

Chevron's business disparately impacts Indigenous Peoples. Over 60% of publicly reported abuses from Chevron's operations impacted Indigenous Peoples, including violation of land rights, allegations of genocide, violence against Indigenous women,<sup>12</sup> and widespread environmental damage and human rights violations in Ecuador<sup>13</sup>, Indonesia<sup>14</sup>, Nigeria<sup>15</sup>, and the United States<sup>16</sup>.

While Chevron has made DEI and philanthropic commitments to support Black employees and communities, its practices have historically exacerbated racial inequities.<sup>17</sup> An independent 2021 report documented dozens of outstanding legal cases against Chevron for alleged environmental damage and human rights violations, noting that the company has only paid .006% of associated fines, court judgements, and settlements.<sup>18</sup> A racial equity audit would help Chevron identify, prioritize, remedy, and avoid adverse impacts on people of color while reducing reputational risk and liabilities.

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<sup>12</sup> [https://chevronglobaldestruction.com/chevrons\\_global\\_destruction\\_report.pdf](https://chevronglobaldestruction.com/chevrons_global_destruction_report.pdf)

<sup>13</sup> <https://www.business-humanrights.org/en/latest-news/the-case-of-chevron-in-the-ecuadorian-amazon-the-ruling-of-the-supreme-court-of-canada-closes-the-doors-to-end-impunity/>

<sup>14</sup> <https://ejatlas.org/print/indonesia-against-chevron>

<sup>15</sup> <https://sustainable-economy.org/wp-content/uploads/2018/02/Chevron-HR-in-Niger-Delta-Chad-Cam.pdf>

<sup>16</sup> <https://www.npr.org/templates/story/story.php?storyId=121853115>

<sup>17</sup> <https://insideclimatenews.org/news/20062020/chevron-black-lives-matter-twitter/>

<sup>18</sup> [https://chevronglobaldestruction.com/chevrons\\_global\\_destruction\\_report.pdf](https://chevronglobaldestruction.com/chevrons_global_destruction_report.pdf)