

Resolved: Shareholders request the board of directors commission an independent, third-party environmental justice audit (within reasonable time and cost) which assesses the heightened racial impacts of NextEra Energy Inc.'s operations and investments and produces recommendations for improving them, above and beyond legal and regulatory matters. Input from stakeholders, including civil rights organizations and affected community members, should be considered in determining the specific matters for assessment. A report on the audit, prepared at reasonable cost and omitting proprietary information, should be published on the company's website.

Whereas: Environmental racism is a systemic risk that exacerbates the climate crisis and racial inequities.¹ Failure to adequately assess, mitigate, and remediate impacts on communities can result in litigation, project delays, and significant fines. For example, NextEra owns approximately 31% of the Mountain Valley Pipeline (MVP), a fracked-gas pipeline running through West Virginia and Virginia. MVP is the subject of numerous fines, legal battles, and community opposition that have caused significant project delays and material costs.² In 2022, NextEra announced an \$800 million loss for MVP,³ following a \$1.2 billion impairment charge in 2021.⁴ A 2023 ruling found that the pipeline violated water quality standards at least 46 times and construction permits 139 times.⁵

The Federal Energy Regulatory Commission identified that MVP runs through at least five environmental justice (EJ) communities, and 2/3 of compressor stations are sited in EJ communities.⁶ The project violated numerous rights of the Occaneechi and Monacan Indian Nations, including the right to Free, Prior, and Informed Consent, and has desecrated at least eight known burial mounds.⁷ A recent study found that mining projects can incur up to \$30 million per week from stoppages due to conflict with communities.⁸

NextEra owns 42% of the Sabal Trail Pipeline, and 84% of the pipeline's route sits within a mile of communities of color or low-income communities.⁹ The project faces opposition from civil rights groups, who claim it will "further burden an already overburdened and disadvantaged African-American community."¹⁰ Also, similar to MVP, Sabal Trail disparately impacts Indigenous Peoples and faces stark opposition from tribes along the pipeline route.¹¹ Other NextEra facilities located in

¹ <https://www.ohchr.org/en/press-releases/2021/10/confronting-climate-crisis-requires-confronting-systemic-racism-say-un>

² https://roanoke.com/news/local/federal-court-stops-construction-of-mountain-valley-pipeline-in-national-forest/article_c0fc44b8-1f6d-11ee-99a5-cb9610c4e846.html

³ <https://www.reuters.com/business/energy/nextera-takes-800-mln-charge-wv-va-mountain-valley-natgas-pipe-2022-02-19/>

⁴ <https://www.ft.com/content/ad12246d-04ad-4336-bea1-a3c3d6486a8f>

⁵ <https://ieefa.org/resources/mountain-valley-pipeline-project-confronts-another-reality-check-and-found-wanting>

⁶ https://appvoices.org/resources/reports/MVP_Report_2023_AppalachianVoices.pdf

⁷ <https://ndncollective.org/4-fossil-fuel-projects-that-harm-indigenous-communities/> ; <https://grist.org/energy/mountain-valley-pipeline-and-indigenous-land/>

⁸ https://www.colorado.edu/program/fpw/sites/default/files/attached-files/social_cost_and_material_loss_0.pdf

⁹ <https://www.nrdc.org/bio/amy-mall/gas-pipelines-harming-clean-water-people-and-planet>

¹¹ <https://www.wuft.org/news/2017/02/28/sabal-trail-pipeline-prevents-native-american-funeral-ceremony/>

majority Black communities, such as the proposed battery storage facility in College Park, GA, have faced scrutiny for overburdening communities of color.¹²

Fenceline communities have criticized NextEra and its project partners for ineffective community consultation regarding environmental damages and insufficient remediation. In January 2024, Virginian community groups claimed MVP violated a 2019 consent decree tied to a \$2.15 million penalty.¹³

As states continue to pass EJ legislation¹⁴ and investor demands for EJ accountability rises, there is an increased regulatory and reputational risk.¹⁵ An audit would help NextEra avoid adverse impacts on EJ communities while reducing reputational risk and liabilities.

¹² <https://www.atlantaneWSfirst.com/2023/07/13/college-park-neighbors-worried-proposed-battery-storage-facility-could-be-dangerous/>

¹³ <https://subscriber.politicopro.com/article/eenews/2024/01/30/mountain-valley-should-be-fined-for-environmental-violations-petition-says-00138353>

¹⁴ <https://www.eli.org/vibrant-environment-blog/2022-review-state-environmental-justice-laws-and-policies>

¹⁵ <https://competentboards.com/environmental-racism-can-expose-company-boards-to-unwanted-risk/#:~:text=Although%20environmental%20justice%20lawsuits%20have,extremely%20difficult%20to%20recover%20from.>